



HRH The Prince of Wales *Patron*

Still from "Royal Paintbox" – A Margy Kinmouth film *courtesy of foxtrotfilms.com*

Contents

Artists' General Benevolent Institution	Page
Report of the Trustees	6
Report of the Independent Auditors	13
Statement of Financial Activities	15
Balance Sheet	16
Notes to the Financial Statements	17
Detailed Statement of Financial Activities	24
Artists' Orphan Fund	
Report of the Trustees	33
Report of the Independent Auditors	36
Statement of Financial Activities	38
Balance Sheet	39
Notes to the Financial Statements	40
Detailed Statement of Financial Activities	44

Artists' General Benevolent Institution

The trustees present their report with the financial statements of the charity for the year ended 5 April 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number 212667

Principal address

Burlington House, Piccadilly, London W1J 0BB
0207 734 1193

President

Christopher Le Brun PRA

Chairman

Ronald Maddox PRI Hon RWS Hon RBA

Honorary Treasurer

Martin Bailey DiplArch FRIBA

Honorary Secretary

Nicola Hicks MBE

Trustees

Stephen Bartlett

Eliza Bonham Carter

Gus Cummins RA

Brad Faine

Richard Gault

Richard Grasby

Jonathan Horwich

Professor Ken Howard OBE RA

Professor Gerald Libby FRCP FRCPsych

Professor Brendan Neiland

William Packer

William Pye

Susie Thomson

Frank Whitford (deceased 11th January 2014)

Dudley Winterbottom

Vice Presidents

William Bowyer RA RP RWS NEAC
Bernard Dunstan RA
David Gentleman RDI
Charlotte Halliday RWS NEAC
Philip Hicks
Jacqueline Rizvi RBA RWS NEAC

Secretary

Brad Feltham

Assistant Secretary

Brenda Evans

Financial Controller

Jacki Gosling

Investment Committee

Martin Bailey DiplArch FRIBA
Damon de Laszlo
Nicola Hicks MBE
David Hicks
Ronald Maddox hon PRI Hon RWS Hon RBA
Dudley Winterbottom

Honorary Medical Advisor

Professor Gerald Libby FRCP FRCPsych

Auditors

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

Bankers

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

Solicitors

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

Investment Managers

Cazenove Capital Management Limited
12 Moorgate, London, EC2R 6DA

Vestra Wealth LLP
14 Cornhill, London, EC3V 3NR

ARTISTS' GENERAL BENEVOLENT INSTITUTION

200th Annual Report of the Trustees for the year ended 5 April 2014

Structure, Governance and Management

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

The Artists' General Benevolent Institution (AGBI) is a registered charity (number 212667) founded in 1814 and incorporated by Royal Charter in 1842. The Charity's governing document comprises the bye-laws.

The Charity's trustees during the year to 5th April 2014 were the Honorary Officers and Council of the Institution as listed on page 1. The trustees are appointed annually (from 2002) by the Charity's members in accordance with the amended bye-laws. The Council consists of a President, six Vice Presidents, and seventeen trustees including three Honorary Officers. At each Annual General Meeting all of the trustees retire and are eligible for re-election.

The Council of the AGBI meet on a regular basis, to consider issues including grant making, financial and investment performance, reserves and risk management. The day to day administration of grants and the processing and handling of applications prior to consideration by the trustees is delegated to the Secretary. The Council is further assisted by an Investment Committee which is specifically concerned with the monitoring of investment and financial performance of the fund managers.

On an on-going basis the Council seeks to identify new trustees to replace existing trustees no longer wishing to stand for re-election. Trustees have historically been individuals who have connections with the Royal Academy or other major art societies, and have an interest in promoting the charitable objectives of the AGBI.

We are very sad to report the death this year of Frank Whitford. He was a member of the Case Committee since 2003, and he will be greatly missed.

Risk management

On an on-going basis the Council considers the major strategic, business and operational risks which it faces and confirms that systems have been established for the identification and review of any such risks and determines the necessary measures to deal with them.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The object of the Charity is to assist professional artists, whose work has been known to the public for some time who, through accident, old age or illness, are

unable to work and earn, and their widows and dependents. The overall policy of the Artists' General Benevolent Institution continues to be to alleviate the stress in professional artists who fulfil the criteria of the Charity and to seek additional finance to further these aims.

Grantmaking Policy

The Charity invites applications for grants from professional artists (painters, sculptors, designers and their widows or widowers) who through old age, accident or illness are unable to work or earn. Applications are initially made by post with a full CV listing all training, exhibitions in professional galleries and teaching experience (if any) at GCSE, 'A' level and above. The applicant is visited by the Secretary to ascertain the veracity of the application and collect original works, sketchbooks etc, together with letters from two referees and a letter from their doctor or consultant (if applicable) for examination by the Council at their next meeting when considering the case.

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 solely at the discretion of the Council. Grants are only continued if the need for assistance persists and are automatically terminated should the recipient die. Grants are never given to fund any legal difficulties or, in the case of career difficulty, loss of earnings due to poor sales etc. or expenses associated with exhibitions.

The Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the financial year 2013/14, the AGBI helped 123 professional artists and their dependents. This is a decrease on the previous year when 137 artists were helped.

Of the 123 artists helped, 17 were new cases (same number as in the previous year), 96 were artists who needed continued help (108 in the previous year) and 10 distinguished artists received the AGBI Jubilee Award (12 in the previous year).

During the financial year, the AGBI stopped helping 14 applicants, some of whom no longer needed the continued support but sadly seven applicants passed away.

A total of £365,041 (not including associated costs) was disbursed in grants to artists in need, which is a decrease on the previous year when £415,803 was disbursed. This decrease in funding was due to the decreased numbers of artists helped (14) and fewer emergency cases being heard by the Case Committee.

The AGBI supports artists at various stages during their professional lives. The table below shows how many artists (113 in total) were supported (not including the Jubilee Award recipients) by their age range in this financial year.

Age Range	Male	Female	Total
20-29	0	1	1
30-39	3	1	4
40-49	3	4	7
50-59	13	15	28
60-69	10	16	26
70-79	10	9	19
80-89	10	15	25
90 +	1	2	3
Total	50	63	113

The split between male and female applicants was fairly even with 50 men and 63 women being helped.

The AGBI continues to support distinguished contributors to the visual arts who are aged 70 and over and in modest circumstances with the AGBI Jubilee Award. During the financial year we helped 10 distinguished artists with this award. We were saddened by the deaths of two Jubilee Award annuitants during the financial year.

Applicants approach the AGBI following an accident or after they have been diagnosed with a serious medical condition and are unable to work or earn. The AGBI supports applicants with conditions such as Motor Neurone Disease, Multiple Sclerosis, strokes and other life changing medical events.

CASE STUDIES

To illustrate the important work of the AGBI we are presenting some case studies in this year's Annual Report. The names and key details have been changed to protect the anonymity of the applicants.

Laura, aged 52, a sculptor based in London was referred to the AGBI in December 2013. Laura had taught fine art and sculpture at a leading art school in London for many years and had shown in many of the major galleries in London and New York. Laura had to give up her teaching post in August 2013 as she developed a complex neurological disorder that quickly took away her independence until she was using a wheelchair and then bed bound for 24 hours a day. The AGBI gave Laura the funds she needed to employ additional carers to spend the nights with Laura so that she could stay at home and not have to go into a care home, something she feared and dreaded. Sadly, Laura passed away a couple of months later.

George, aged 73, lives and works in London as an abstract painter and has taught at one of London's leading art schools for over 30 years. George also pursued a career as an artist and maintained his studio from the sales of his work and his

work and his teacher's salary for over 45 years. George was retired on medical grounds as he has progressive Multiple Sclerosis. After he retired his condition worsened and his finances became very strained especially as he wanted to keep his studio where he has worked all his life. His income simply did not cover his living and studio costs. The AGBI agreed to contribute towards the cost of his studio and his household utility bills. George wrote to the AGBI saying...

"I'm sure you understand only too well the significance of the AGBI grant for the future of my studio and consequently my work. Keeping me active in the studio is enormously valuable to the maintenance of my health and well-being. I can't thank you enough".

And then there was Iris. Iris is a watercolour painter aged 82. In 2007, Iris had a stroke and completely lost the vision in her left eye, however after some life adjustments, she could carry on as normal. But in April 2013 she was diagnosed with age related macular degeneration in her right eye. This was devastating for Iris who had always been an independent and capable individual; the prospect of going blind was terrifying. Iris was referred to the AGBI by her local Rehabilitation Service for Visually Impaired People. With regular injections into her right eye it is hoped that Iris will retain some vision, but she was having problems painting and reading and needed a CCTV reader that magnifies anything placed under it. The AGBI agreed to pay the £2,295 to provide Iris with this specialist equipment. This gift from the AGBI has enabled Iris to continue to paint, read her own mail and carry on with some independence. Iris wrote to say...

"Art is my passion, and to be robbed of the ability to express myself through my painting, and further, to teach others to experience the joy of this media was unthinkable. Thanks to the AGBI and modern technology, I will now be able to carry on for the foreseeable future".

Fundraising activities

Our thanks and gratitude go to all our stewards who raised £43,155 in 2013/2014. The commitment and hard work of all our fundraising stewards enables the Charity to continue helping artists in need. The Council and the staff wish to express their great appreciation and gratitude for all their fundraising efforts.

Over the years the dedication and enthusiasm shown by the various societies has raised thousands of pounds for artists in need. Many art societies such as the Chelsea Arts Club, the Royal Academy of Arts, the New English Art Club and a number of eminent art societies have been fundraising for us for over fifty years. We owe them and all the societies and Stewards who fundraise for us an enormous debt of gratitude. Thank you.

In 2013/2014, the AGBI received £101,317 in legacies. The amounts received and invested from those who chose to remember us in their wills are found on page 13. Gifts in memory of friends, relatives and colleagues provide a poignant and tangible form of commemoration and we are most grateful for these gifts.

FINANCIAL REVIEW

Reserves policy

As at 5th April 2014, the Charity's total funds amount to £11,992,072 (2013 - £11,278,918), all of which is unrestricted. The reserves are maintained at this level to ensure that sufficient investment income is generated to cover all expected grant-making obligations.

Principal funding sources

The Charity relies on two principal sources of income, these being voluntary income in the form of annual subscriptions, donations and amounts collected by the Stewards, together with the income generated from the Charity's investment portfolio. Additionally, further income is generated by activities such as Christmas card and greeting card sales. The incoming resources shown in the Statement of Financial Activities also includes the amounts of any legacies received during the year.

The Trustees broad financial objective is to maximise the total level of voluntary income and investment income received in each year, thereby enabling the trustees to maintain or increase the level of grant support for applicants.

During the year to 5th April 2014 the Charity's incoming resources, excluding legacies received, amounted to £424,400 compared to £439,164 for the previous period. The level of grants paid (including associated costs) decreased from £459,378 to £409,691. Legacies for the year to 5th April 2014 amounted to £101,317 compared to £8,608 the previous year. This resulted in a shortfall of £23,545 prior to the gains on investments which amounted to £736,699. The funds carried forward to the 2014/2015 financial year amounted to £11,992,072.

The Trustees regard this year's financial performance as satisfactory, having regard to the existing difficult world-wide financial conditions, and are pleased to be in a position, moving forward to the next financial year, in which they can further maintain or increase the level of grant support to applicants.

Investment policy and performance

Members of the Investment Committee meet twice a year to oversee the management of the investments to ensure that the funds are available to maintain the charity.

The Investment Committee's objectives in respect of investments is to secure a total return on the charity's investments which enables both current demands from applicants to be appropriately satisfied, together with future demands in terms of long term growth of the charity's assets. The charity's investment assets are held in investment funds managed by our investment fund managers including cash deposits or cash equivalent investments (the level of the cash held within the investment portfolio at 5th April 2014 was £849,839). This policy provides the Charity with the opportunity to obtain a spread of investment and professional fund management expertise at reasonable cost.

Damon de Laszlo joined the Investment Committee during this financial year. Damon brings with him a wealth of investment and financial knowledge and expertise to complement the existing committee members and the Council would like to express their gratitude and thanks to him for his support during the year.

During this financial year, the Investment Committee agreed to invest £500,000 (which was the proceeds of the sale of the house (during the year ended 5th April 2012) left to the AGBI by Miss Elsa Hollinshead) with Vestra Wealth Management. Vestra deposited the funds with Clydesdale Bank on a 12 month deposit period in an attempt to achieve a better interest rate than the money was earning in the AGBI's current account at Coutts.

As part of their due diligence responsibilities, the Investment Committee continued its review of the charity's investment portfolio and the investment managers throughout the financial year.

PLANS FOR THE FUTURE

The Charity Merger

In the bicentenary year of the AGBI, the Trustees are planning to complete the merger of the AGBI and its connected charity the Artists' Orphan Fund (AOF). The funds belonging to the AOF will be transferred over to the AGBI and become a restricted fund within the AGBI portfolio. The Honorary Treasurer and the Secretary have worked closely with the Privy Council, the Charity Commission and the charity's lawyers on the merger.

The Bye-Laws

The bye-laws of 2002 will need to be amended to reflect the changes of the merger and the changing nature of charity governance and procedures. The process is expected to take several months due to the complexities and restrictions of the AGBI's Royal Charter. The bye-laws cannot be radically altered without amending the Royal Charter which is a costly and complex procedure. However, it is hoped that new bye-laws can be drafted by the charity's lawyers to enhance the governance and operation of the charity.

Bicentenary Events

During the year 2014, the AGBI will be celebrating its bicentenary with several events and celebrations starting with an evening exhibition and talk at the Mall Galleries. The event will be hosted by the chairman of the AGBI Ronald Maddox. The painter Tom Coates will be at the event and talk candidly about the AGBI and the important work carried out by the charity.

On the 1st of October 2014, the AGBI and Bonhams are holding a charity auction at Bonhams' new auction rooms on Bond Street, London. This will be a fundraising and profile raising event. The event is being sponsored by Rathbones Wealth Management. Leading artists including Paula Rego, Tracey Emin, Ken Howard, Peter Blake and Maggi Hambling have all generously donated pieces of work for the auction.

The final bicentenary event will be an evening celebration dinner at the Chelsea Arts Club. The Chelsea Arts Club has been a long term supporter of the AGBI and has agreed to organise a dinner to celebrate the 200th birthday of the AGBI for 80 people. The event will be attended by Council members of the AGBI and the Chelsea Arts Club, artists and their friends.

In conclusion to their report, the Honorary Officers, members of the Council and the AGBI staff wish to record their appreciation so readily provided by well-wishers.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

Ronald Maddox PRI Hon RWS Hon RBA - Chairman
16th July 2014

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

We have audited the financial statements of Artists General Benevolent Institution for the year ended 5 April 2014 on pages **ten to eighteen**. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

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

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2014 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.

Matters on which we are required to report by exception

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

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

Tudor John LLP

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Nightingale House

46-48 East Street

Epsom

Surrey

KT17 1HQ

17th July 2014

Statement of Financial Activities for the year ended 5 April 2014

	NOTES	2014 Unrestricted funds £	2013 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	201,069	86,947
Activities for generating funds	3	7,716	8,986
Investment income	4	<u>316,932</u>	<u>351,839</u>
Total incoming resources		525,717	447,772
RESOURCES EXPENDED			
Cost of generating funds			
Costs of generating voluntary income	5	6,214	7,347
Fundraising trading: cost of goods sold and other costs	6	2,773	2,073
Investment management costs	7	16,488	3,163
Charitable activities			
Grants paid and associated costs	8	409,691	459,378
Governance costs	11	<u>114,096</u>	<u>126,734</u>
Total resources expended		<u>549,262</u>	<u>598,695</u>
NET INCOMING/(OUTGOING) RESOURCES		(23,545)	(150,923)
Other recognised gains/losses			
Gains/losses on investment assets		<u>736,699</u>	<u>848,850</u>
Net movement in funds		713,154	697,927
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>11,278,918</u>	<u>10,580,991</u>
TOTAL FUNDS CARRIED FORWARD		<u>11,992,072</u>	<u>11,278,918</u>

The notes form part of these financial statements

Balance Sheet At 5 April 2014

	NOTES	2014 Unrestricted funds £	2013 Total funds £
FIXED ASSETS			
Tangible assets	14	9,947	10,152
Investments	15	<u>11,030,358</u>	<u>10,319,532</u>
		11,040,305	10,329,684
CURRENT ASSETS			
Debtors	16	194,307	82,479
Cash at bank and in hand		<u>767,222</u>	<u>875,640</u>
		961,529	958,119
CREDITORS			
Amounts falling due within one year	17	<u>(9,762)</u>	<u>(8,885)</u>
NET CURRENT ASSETS		<u>951,767</u>	<u>949,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,992,072</u>	<u>11,278,918</u>
NET ASSETS		<u>11,992,072</u>	<u>11,278,918</u>
FUNDS			
Unrestricted funds	18	<u>11,992,072</u>	<u>11,278,918</u>
TOTAL FUNDS		<u>11,992,072</u>	<u>11,278,918</u>

The financial statements were approved by the Board of Trustees on 16 July 2014 and were signed on its behalf by:

Martin Bailey DiplArch FRIBA-Honorary Treasurer

Notes to the financial statements for the year ended 5 April 2014

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Investment income is accounted for in the period in which the charity is entitled to receipt. Voluntary income and donations are accounted for as received by the charity, with full provision made for the associated taxation consequences. No permanent endowments have been received in the period. Legacies are included at the time when the charity is legally entitled to the income. Entitlement is the earlier of the receipt of written notification and cash received.

Life Subscribers

A life subscriber is one who has given in one sum of at least £500 to the Institution. Life subscriptions are recognised as income in the year that they are received.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds comprises those costs directly attributable to managing the investment portfolio and raising investment income.

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants. Management and administration comprises costs for the running of the charity itself as an organisation. Where costs cannot be directly attributed to either of these two categories, an appropriate proportion of costs are attributed to support costs, with the balance attributable to management and administration.

Governance costs are the costs associated with the governance arrangements of the charity which relates to the general running of the charity as opposed to those costs associated with the charitable activity.

Grants are accounted for on a cash basis.

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

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.

**Notes to the Financial Statements - continued
for the year ended 5 April 2014**

Fixed assets 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.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Annual subscriptions, donations and amounts collected by stewards	99,752	78,339
Legacies received	101,317	8,608
	<u>201,069</u>	<u>86,947</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Christmas card sales	6,191	8,986
Redfern Gallery event income	1,525	-
	<u>7,716</u>	<u>8,986</u>

4. INVESTMENT INCOME

	2014	2013
	£	£
Income from investments	305,835	344,243
Royalty and legacy income	4,350	3,108
Deposit account interest	6,747	4,488
	<u>316,932</u>	<u>351,839</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	2014	2013
	£	£
Stewards' expenses	6,214	7,347
	<u>6,214</u>	<u>7,347</u>

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2014	2013
	£	£
Cost of Christmas cards	2,442	2,073
Redfern Gallery event expenses	331	-
	<u>2,773</u>	<u>2,073</u>

7. INVESTMENT MANAGEMENT COSTS

	2014	2013
	£	£
Portfolio management	16,488	3,163
	<u>16,488</u>	<u>3,163</u>

**Notes to the Financial Statements - continued
for the year ended 5 April 2014**

8. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 9)	Support costs (See note 10)	Total
	£	£	£
Grants paid and associated costs	<u>365,041</u>	<u>44,650</u>	<u>409,691</u>

9. GRANTS PAID

	2014	2013
	£	£
Grants paid	<u>365,041</u>	<u>415,803</u>

10. SUPPORT COSTS

	Human resources	Other	Totals
	£	£	£
Support costs for grants paid	<u>35,389</u>	<u>9,261</u>	<u>44,650</u>

11. GOVERNANCE COSTS

	2014	2013
	£	£
Staff costs	91,412	88,473
Professional fees	–	9,300
Annual report and AGM expenses	7,843	9,416
Auditors' remuneration	5,580	10,000
Rent	437	486
Travelling	170	153
Catering expenses	510	243
Postage	171	222
Telephone	735	558
Office stationery	634	1,172
Advertising	179	179
Computer expenses	693	1,114
Legal fees	921	814
Repairs & renewals	24	–
Cleaning	1,478	1,538
Bank charges	799	609
Sundry expenses	907	885
Luncheon vouchers	53	53
Other gifts	30	29
Gain/loss on foreign exchange	33	(18)
Insurance and service charges	1,083	1,083
Depreciation	404	425
	<u>114,096</u>	<u>126,734</u>

**Notes to the Financial Statements - continued
for the year ended 5 April 2014**

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2014 nor for the year ended 5 April 2013.

Trustees' expenses

Travel expenses were paid to trustees in the year amounting to £290 (2013-£138)

There were no other expenses paid to trustees for the year ended 5 April 2014 nor for the year ended 5 April 2013.

13. STAFF COSTS

	2014 £	2013 £
Wages and salaries	<u>124,910</u>	<u>120,781</u>

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

	2014	2013
Average number of employees in the year	<u>3</u>	<u>3</u>

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

14. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Computer equipment £	Totals £
COST			
At 6 April 2013	15,132	3,030	18,162
Additions	<u>603</u>	<u>-</u>	<u>603</u>
At 5 April 2014	<u>15,735</u>	<u>3,030</u>	<u>18,765</u>
DEPRECIATION			
At 6 April 2013	5,912	2,098	8,010
Charge for year	<u>286</u>	<u>522</u>	<u>808</u>
At 5 April 2014	<u>6,198</u>	<u>2,620</u>	<u>8,818</u>
NET BOOK VALUE			
At 5 April 2014	<u>9,537</u>	<u>410</u>	<u>9,947</u>
At 5 April 2013	<u>9,220</u>	<u>932</u>	<u>10,152</u>

**Notes to the Financial Statements - continued
for the year ended 5 April 2014**

15. FIXED ASSET INVESTMENTS

	Unrestricted Funds
	£
Market value as at 6 April 2013	10,319,532
Realised profits/(loss) for the year	(5,642)
Equalisation adjustments etc	(14,047)
Cash movements	<u>(11,826)</u>
	10,288,017
Increase in market value	<u>742,341</u>
Market value as at 5 April 2014	<u><u>11,030,358</u></u>
	£
Being:	
Investments	10,180,519
Cash	<u>849,839</u>
	<u><u>11,030,358</u></u>
Cost as at 5 April 2014	<u><u>8,861,203</u></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.

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	
	2014	2013
	£	£
Cazenove Investment Fund Management Income Trust for Charities	–	1,233,217
Cazenove Investment Fund Management Equity Income Trust for Charities	3,277,902	3,187,699
Cazenove Investment Fund Management Growth Trust for Charities	1,762,845	1,726,984
Schroder ISF Strategic Credit C Class	640,969	–
Jubilee Absolute Return Equity	601,489	1,005,760
M&G (Guernsey) Offshore Optimal Income	770,291	–

Notes to the Financial Statements - continued
for the year ended 5 April 2014

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other debtors	<u>194,307</u>	<u>82,479</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other creditors	<u>9,762</u>	<u>8,885</u>

18. MOVEMENT IN FUNDS

	At 6.4.13 £	Net movement in funds £	At 5.4.14 £
Unrestricted funds			
General fund	<u>11,278,918</u>	<u>713,154</u>	<u>11,992,072</u>
TOTAL FUNDS	<u>11,278,918</u>	<u>713,154</u>	<u>11,992,072</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	<u>525,717</u>	<u>(549,262)</u>	<u>736,699</u>	<u>713,154</u>
TOTAL FUNDS	<u>525,717</u>	<u>(549,262)</u>	<u>736,699</u>	<u>713,154</u>

Notes to the Financial Statements - continued for the year ended 5 April 2014

18. MOVEMENT IN FUNDS - continued

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

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

19. RELATED PARTY DISCLOSURES

As at 5 April 2014 the related charity, Artists' Orphan Fund owed the Artists' General Benevolent Institution £68,093 (2013 - £51,309) for recharged expenses.

During the year, an annual Jubilee Award of £2,000 (2013 - £2,000) was awarded to Jacqueline Rizvi, a former chairman. In addition Mrs Rizvi received a Christmas gift of £100 in both years. Mrs Rizvi remains a trustee of the Artists' General Benevolent Institution.

During the year, payments for office services were also made to Sue Gentleman of £240 (2013 - £390), who is a related party to one of the trustees, David Gentleman.

20. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

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

**Detailed Statement of Financial Activities
for the year ended 5 April 2014**

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Annual subscriptions, donations and amounts collected by stewards	99,752	78,339
Legacies received	<u>101,317</u>	<u>8,608</u>
	201,069	86,947
Activities for generating funds		
Christmas card sales	6,191	8,986
Redfern Gallery event income	<u>1,525</u>	<u>–</u>
	7,716	8,986
Investment income		
Income from investments	305,835	344,243
Royalty and legacy income	4,350	3,108
Deposit account interest	<u>6,747</u>	<u>4,488</u>
	316,932	351,839
Total incoming resources	525,717	447,772
RESOURCES EXPENDED		
Costs of generating voluntary income		
Stewards' expenses	6,214	7,347
Fundraising trading: cost of goods sold and other costs		
Cost of Christmas cards	2,442	2,073
Redfern Gallery event expenses	<u>331</u>	<u>–</u>
	2,773	2,073
Investment management costs		
Portfolio management	16,488	3,163
Charitable activities		
Grants to individuals	365,041	415,803
Governance costs		
Wages	91,412	88,473
Professional fees	–	9,300
Annual report and AGM expenses	7,843	9,416
Auditors' remuneration	5,580	10,000
Rent	437	486
Travelling	170	153
Catering expenses	510	243
Postage	171	222
Telephone	<u>735</u>	<u>558</u>
Carried forward	106,858	118,851

This page does not form part of the statutory financial statements

**Detailed Statement of Financial Activities
for the year ended 5 April 2014**

	2014	2013
	£	£
Governance costs		
Brought forward	106,858	118,851
Office stationery	634	1,172
Advertising	179	179
Computer expenses	693	1,114
Legal fees	921	814
Repairs & renewals	24	–
Cleaning	1,478	1,538
Bank charges	799	609
Sundry expenses	907	885
Luncheon vouchers	53	53
Other gifts	30	29
Gain/loss on foreign exchange	33	(18)
Insurance and service charges	1,083	1,083
Fixtures and fittings	143	103
Computer equipment	261	322
	<hr/>	<hr/>
	114,096	126,734
 Support costs		
Human resources		
Wages	33,498	32,308
Visiting expenses	1,891	1,723
	<hr/>	<hr/>
	35,389	34,031
 Other		
Rent	437	486
Travelling	169	153
Catering expenses	509	243
Postage	172	271
Telephone	734	558
Office stationery	634	1,172
Advertising	178	129
Computer expenses	693	1,114
Legal fees	921	814
Repairs and renewals	23	–
Cleaning	1,479	1,538
Bank charges	798	638
Sundry expenses	910	885
Luncheon vouchers	52	53
Other gifts	31	–
Gain/loss on foreign exchange	33	(18)
Insurance and service charges	1,084	1,083
Fixtures and fittings	143	103
Computer equipment	261	322
	<hr/>	<hr/>
	9,261	9,544
 Total resources expended	<hr/>	<hr/>
	549,262	598,695
 Net expenditure before gains and losses	<hr/>	<hr/>
	(23,545)	(150,923)
 Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(5,642)	84,787
	<hr/>	<hr/>
Net expenditure	<hr/>	<hr/>
	(29,187)	(66,136)

This page does not form part of the statutory financial statements

STEWARDS AND VOLUNTARY INCOME

Stewards' collections, donations credited to their societies and other direct donations

The Council acknowledges with gratitude the receipt of the following:	£
Chris Bennett <i>Royal Institute of Oil Painters</i>	160.00
Rebecca Cains <i>Royal West of England Academy</i>	155.00
Jane Campbell <i>British Society of Master Glass Painters</i>	829.01
Merlyn Chesterman <i>Royal Society of Painter-Printmakers</i>	250.00
Sam Dalby <i>Royal Society of Portrait Painters</i>	100.00
Chris Forsey <i>Royal Institute of Painters in Watercolours</i>	1,001.08
Paul Gildea <i>New English Art Club</i>	695.00
Maz Jackson <i>Society of Graphic Fine Art</i>	1,128.91
Maurice Moeri <i>National Society of Painters, Sculptors & Printmakers</i>	430.50
Peter Quinn <i>Royal Watercolour Society</i>	160.00
Grey Skipwith <i>Special Steward</i>	1,755.00
Tessa Spencer Pryse <i>Royal Society of British Artists</i>	680.00
Nicholas St John Rosse <i>Royal Society of Marine Artists</i>	1,107.00
Emma Stibbon <i>Royal Academy of Arts</i>	2,650.00
Malcolm Taylor <i>Manchester Academy of Fine Arts</i>	200.00
John Tookey <i>Pastel Society</i>	910.00
Dudley Winterbottom <i>Chelsea Arts Club</i>	30,943.13
	<hr/>
Total	43,154.63

We are very grateful to the Fine Art Trade Guild, Mall Galleries and Bankside Gallery for their generosity in the distribution of our Christmas card leaflets.

Bi-Centenary Stewards for 2014/2015

Chris Bennett *Royal Institute of Oil Painters*
Janis Bowie *Manchester Academy of Fine Arts*
Keith Breeden *Royal Society of Portrait Painters*
Jane Campbell *British Society of Master Glass Painters*
Merlyn Chesterman *Royal Society of Painter-Printmakers*
Linda Clark *Society of Graphic Fine Art*
Douglas Gray *Royal Society of Marine Artists*
Jeanette Hayes *Pastel Society*
Sandra Higgins *Independent Steward*
Jonathan Horwich *Bonhams*
Neil Jeffries *Royal Academy of Arts*
Claudia Phipps *Guild of Glass Engravers*
Sue Rowling *National Society of Painters, Sculptors & Printmakers*
Grey Skipwith *Special Steward*
Tessa Spencer Pryse *Royal Society of British Artists*
Mia Taylor *Royal West of England Academy*
Deborah Walker *Royal Institute of Painters in Watercolours*
Royal Watercolour Society TBC

Life members who have donated in 2013/14 and donated more than £500 in previous years.

	Donation made in 2013/14	Total in previous years
Caroline Anderson	200.00	5,674.07
Diana Armfield RA	100.00	994.48
Christy Austin	100.00	550.00
P. C. Bailey	60.00	740.00
Paul Banning RI RSMA	100.00	1,453.00
Anne Barnard	50.00	650.00
Dr Wendy Baron OBE	40.00	740.00
Joan Bates	30.00	670.00
Keith Bennett	100.00	1,615.00
C M Blackburn	50.00	775.00
Prof Quentin Blake OBE MA FCSD	1,000.00	16,595.02
Olwyn Bowey RA RBA	25.00	525.00
Sir Alan Bowness CBE	50.00	850.00
Frank Bowling RA	1,000.00	1,450.00
William Boyd	50.00	500.00
B M Brady	30.00	510.00
The Right Hon Viscountess Harriet Bridgeman MA FRSA	1,000.00	525.00
Browse & Darby Ltd	100.00	3,714.91
Mary Burnett-Stuart	30.00	540.00
Rachel Campbell	50.00	500.00
Barford Sculptures Sir Anthony Caro CBE	250.00	4,472.07
Professor & Mrs David Carpanini	100.00	1,391.01
John Carter RA	150.00	2,590.00
John Chipperfield	50.00	530.00
Colin Clark	1,430.00	10,040.00
Mary Clow	100.00	1,100.00
Tom Coates PPNEAC PS PPRBA RP	200.00	5,497.14
John Gordon Cooke	100.00	2,539.02
The Colman Gift Trust	10.00	1,345.00
D R Creffield	280.00	1,075.00
The Friends of Dame Laura Knight Society John Croft FCA	3,187.83	5,322.69
The Hon Mrs Sarah K Davidson	50.00	625.00
Barbara Dawson	200.00	625.00
Spencer de Grey CBE RA	250.00	1,100.00
Tacita Dean RA	200.00	500.00
Roger Dellar RI	30.00	570.00
Simon Dickinson	500.00	9,000.00
Patrick Dockar-Drysdale	50.00	600.00
John Doyle PP RWS	25.00	585.00
Anna-Lena Edmonds	200.00	700.00
Equestrian Art Society	50.00	750.00
Anthony Eyton RA	75.00	1,085.00
Pauline Fazakerley RI	25.00	1,495.00
Andrew Festing RP	35.00	560.00
Matthew Flowers	200.00	1,100.00

Judy Francis	240.00	4,733.32
Jeremy Friend	100.00	592.50
William Garfit RBA	25.00	650.00
K Gimpel	100.00	2,636.97
Richard Grasby	150.00	550.00
Richard Green Gallery	500.00	2,050.00
Martyn Gregory	250.00	2,050.00
Sir Nicholas Grimshaw, CBE, PRA	1,200.00	5,729.98
Prof Vaughan Grylls	100.00	1,620.00
Rosemary Gwynne-Jones	40.00	645.00
Liz Gwyther	100.00	1,800.00
Maggi Hambling CBE	150.00	1,572.00
C D Harris	135.00	2,143.35
Eveline Hastings	20.00	518.00
Ivo Hesmondhalgh	50.00	620.00
Philip Hicks Dip RAS	100.00	786.66
The Trustees A D Hill 1985 Settlement	1,000.00	2,420.00
Honeyman Charitable Trust	250.00	3,150.00
Prof Ken Howard OBE RA	230.00	3,865.57
A R Hundleby CSD	100.00	1,650.00
Moiria Huntly RI RSMA PPS RWA	30.00	750.50
M F Hutchinson	80.00	1,630.01
Manya Igel	100.00	3,833.34
W W B Jacklin RA	100.00	1,260.00
Dr E M Jones	150.00	1,940.00
R B Jones	250.00	3,515.28
Simon R Jones	200.00	1,870.00
Allen Jones RA	25.00	2,379.23
Jane Joseph	60.00	835.00
Mr & Mrs David Korn	75.00	1,035.00
Victor J Kuell	100.00	1,334.99
Sarah Lake	120.00	2,531.20
Ann Le Bas RE NEAC	50.00	1,048.33
Sir Francis Le Marchant	300.00	3,180.00
Margaret Lind-Smith	200.00	3,301.01
Peter S London	40.00	660.00
Loyd Charitable Trust	100.00	2,830.00
Andrew Macara RBA NEAC	25.00	734.01
Gillian MacCabe	550.00	4,687.50
MacCormac Jamieson & Pritchard	50.00	1,515.93
Macdonald-Buchanan Charitable Trust	500.00	11,020.15
Ronald Maddox hon PRI hon RWS hon RBA	80.00	1,926.06
Sally McGill	100.00	707.50
June Mendoza RP ROI	50.00	640.00
Barbara Minto	500.00	1,550.00
Morgan Dunn Enterprises	100.00	1,100.00
Peter Nahum	35.00	560.00
David Nash RA	100.00	1,400.00
Philip Nathan FRBS	50.00	2,105.00
T F F Nixon	100.00	1,250.00
Hugh O'Brien	5,000.00	1,200.00

Richard L Onians	85.00	975.00
Robert O'Rorke	50.00	750.00
William Packer	100.00	1,740.00
Donald Pearse	200.00	2,700.00
Sally Pollitzer	150.00	1,625.00
Hew Purchas	100.00	1,280.00
Salliann Putman RWS	25.00	1,932.00
William Pye	100.00	1,600.00
Peter Rhoades	50.00	650.00
Sir Tim Rice	100.00	820.00
G M Roberts	100.00	800.00
Geoffrey A K Robinson	100.00	1,300.00
Jean Robinson RI	100.00	550.00
William J D Rogers	25.00	1,705.00
Sir Norman Rosenthal	100.00	2,379.67
Sam Rothenstein	1,000.00	950.00
Timothy Scott-Bolton	100.00	800.00
Rosa Sepple RI SWA	100.00	740.00
Peter Siddell	100.00	1,200.00
Russell A Strachan	250.00	3,250.00
A C L Sturge	100.00	2,000.00
Jeremy N Sutcliffe	75.00	1,116.67
Swire Charitable Trust	5,000.00	10,736.94
The Alan Cadbury Charitable Trust	500.00	4,457.00
The Loppylugs and Barbara Morrison Charitable Trust	3,400.00	22,900.00
The Smith Charitable Trust	5,300.00	72,620.44
Patricia Thoburn	500.00	2,780.00
Audrey Titchell	25.00	735.92
Pauline D Tremlett	50.00	600.00
Tuesday Painters of Rye	50.00	700.00
Naomi Tydeman	100.00	2,110.00
Peter Vincent CSD	50.00	1,222.92
Gerald C Wakelin	350.00	1,330.00
John Walton	150.00	2,516.68
J Weatherhogg	100.00	600.00
Vanessa Whinney	386.87	900.00
Michael Whittlesea	50.00	590.57
Muriel Wilson	40.00	560.00
J W Winkelman PPRE	50.00	650.00

Contributions from exhibitions, special donations and other events during 2013/14

Henry Brett - £2,500

One-off donation

Art in Perpetuity - £200.00

Ian Garrett - £50

Proceeds from a talk to the Chiltern Painter Art Group

Julia Midgley - £96.00

Proceeds from refreshments in an open studio

Jane Moore - £51.00

Proceeds from a collection box

Redfern Gallery - £1,525

Proceeds from an exhibition and talk by James Martin on The Radev Collection

Vanessa Whinney - £386.87

Proceeds from a talk and sale of books by James Fletcher Watson

Gifts in Memory of the following people were received in 2013/14

£

Julian Barrow	5,928.60
Laurie Bray	250.00
Barbara Bream	110.00
Patricia Dawson	50.00
Rose Finn-Kelcey	565.00
Anthony Hatwell	125.00
Marie Felicia Hett	50.00
Ann Menna Hudson	105.00
Peter Lloyd-Lewis	30.00
Camilla Maddox	20.00
Marcelline McMichael	150.00
Vivian Palmer	20.00
Mike Pope	305.00
Peggy Ryan	156.52
Richard Taylor	432.00
Andrea Toth	467.80
Elisabeth Vellacott	1,570.52
Richard Walker	63.00
Joan Margery Young	50.00

The Council is extremely grateful for the legacies and gifts listed below and appreciates the generosity of the legators.

Legator	£
Steven Alley	9,221.43
M A Bompas	25.48
Madeline Fagandini	6,942.47
Jane Hocter	70,000.00
Peter Lloyd-Lewis	5,000.00
Hugh O'Brien	5,000.00
Ronald Charles Sansom	21.86
Faith Tresidder Shappard	105.96
John Evan Wardill	5,000.00

Artists' Orphan Fund

The trustees present their report with the financial statements of the charity for the year ended 5 April 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number 219356

Principal address

Burlington House, Piccadilly, London W1J 0BB
020 7734 1193

President

Christopher Le Brun PRA

Chairman

Ronald Maddox PRI Hon RWS Hon RBA

Honorary Treasurer

Martin Bailey DiplArch FRIBA

Honorary Secretary

Nicola Hicks MBE

Trustees

Bernard Dunstan RA

David Gentleman RDI

Richard Grasby

Philip Hicks

Professor Gerald Libby FRCP FRCPsych

Professor Ken Howard OBE RA

Jacqeline Rizvi RBA RWS NEAC

Secretary

Brad Feltham

Assistant Secretary

Brenda Evans

Financial Controller

Jacki Gosling

Auditors

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

Bankers

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

Solicitors

Thomas Cooper

Ibex House, 42-47 Minories, London EC3N 1HA

Investment Managers

Cazenove Capital Management Limited
12 Moorgate, London, EC2R 6DA

ARTISTS' ORPHAN FUND

142nd Report of the Trustees For the year ended 5 April 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Artists' Orphan Fund is a registered charity (number 219356). The charity was founded in 1872. The Charity's governing document comprises documented Rules with respect to the fund. The Trustees continue to review corporate governance.

The Charity's Trustees during the year to 5th April 2014 were the Council as listed on [page 1](#). The Trustees are appointed annually by the Charity's members in accordance with the Rules.

The Council meets three times per year to consider issues including grant making, financial and investment performance, reserves and risk management. The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Secretary. The Charity is administered in conjunction with the Artists' General Benevolent Institution (registered Charity Number 212667).

On an on-going basis the Council seeks to identify new Trustees to replace existing Trustees no longer wishing to stand for re-election. Trustees have historically been individuals who have connections with the Royal Academy or other major art societies, and have an interest in promoting the charitable objectives of the Artists' Orphan Fund.

Risk management

On an on-going basis the Council considers the major strategic, business and operational risks which it faces and confirms that systems have been established for the identification and review of any such risks and determining the necessary measures to deal with them.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Charity is to support and educate, or assist the support and education of, the orphaned children, or those with only one parent living, of professional artists whose work has been known to the public for some time.

Grantmaking

Application for funding from the Artists' Orphan Fund is open to children of professional artists, painters, sculptors, designers etc, where either one or both parents have died. When the Council has established the professionalism of the parents' career the Fund assists with educational costs and general living expenses up to the age of twenty five or until the child has completed his or her full-time education, whichever is first. Paying for private or boarding education is not considered unless the child has a scholarship or considerable bursary or the family circumstances are such that there is a definite need for the child to be out of the family unit.

The Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

ACHIEVEMENT AND PERFORMANCE

In the financial year 2013/2014 the Fund financially supported a total of 16 orphans compared with 17 orphans in 2012/13. The fund stopped assisting one orphan during the financial year as she completed her studies at university and has gone onto full-time employment.

The amount of funding disbursed in one-off and regular grants was £40,893 (not including associated costs). This was lower than the previous year (£45,615), because the fund supported one less applicant.

The Fund supplies the financial resources for extra-curricular activities that a prudent parent would provide such as music lessons and sporting activities. Many of the Fund's applicants write to the office to express their gratitude and keep the office up-to-date with their progress through school and university.

FINANCIAL REVIEW

Reserves policy

It is the policy of the Charity, as dictated by its Rules, to maintain separate capital and income funds within the unrestricted funds, the income fund being available to fund payment of grants to applicants and to cover governance costs. An amendment to the Rules allows any new legacies to be added to the Charity's income funds at the discretion of the Trustees, rather than the capital funds. As at 5th April 2014 the total funds amount to £1,477,796 (2013 - £1,378,382).

The Charity's capital funds are maintained to generate income whilst preserving these funds to the level sufficient to cover the future obligations of the Charity.

Principal funding sources

The Charity relies on a single primary source of income, being the income generated from the Fund's investment portfolio. The incoming resources shown in the Statement of Financial Activities also includes the amounts of any legacies and donations received during the year. There were no legacies for the Fund in 2013/14.

The Trustees' broad financial objective is to maximise the level of investment income received each year, enabling the Trustees to maintain the level of grant support for applicants. In the event of income generated being insufficient, the Trustees are happy to fund additional grants to qualifying cases from reserves.

During the year to 5th April 2014 the Charity's incoming resources amounted to £45,740 compared to £48,701 for the previous period. The level of grants paid (including associated costs) decreased from £51,826 to £47,281. Net outgoing resources totalled £16,264 and the value of investments increased from £1,413,765 to £1,526,274 with total reserves at £1,477,796.

Investment policy and objectives

The Trustees' objectives in respect of investments is to secure a total return on the Charity's investments which enables both current demands from beneficiaries to be appropriately satisfied together with future demands in terms of long term growth of

the Charity's assets. The Charity's investment assets are held in investment funds specifically managed for charitable organisations or in the form of cash deposits or cash equivalent investments (as detailed in note 11 to the accounts, the level of the cash held within the investment portfolio at 5th April 2014 was £5,891). This policy provides the Charity with the opportunity to obtain a spread of investment and professional fund management expertise at reasonable cost.

FUTURE DEVELOPMENTS

The Trustees have been in consultation with the Charity Commission and the charity's lawyers to merge the AOF with the AGBI. The merger will take place in the next financial year 2014/2015. The property of the AOF will be transferred to the AGBI. The funds will be held within the AGBI investment portfolio but restricted for the use of helping the orphans of artists. The main reason for the merger is to reduce costs and administration of the two charities. The applicants and future applicants of the AOF will see no difference in the service they receive.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

R Maddox hon PRI hon RWS hon RBA – Chairman
16th July 2014

Report of the Independent Auditors to the Trustees of Artists' Orphan Fund

We have audited the financial statements of Artists' Orphan Fund for the year ended 5th April 2014 on pages **seven to thirteen**. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of Trustees and auditors

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 16 to the financial statements

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2014 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.

Matters on which we are required to report by exception

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

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

Tudor John LLP

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Nightingale House

46-48 East Street

Epsom

Surrey

KT17 1HQ

17th July 2014

Statement of Financial Activities for the year ended 5th April 2014

	NOTES	2014 Unrestricted funds £	2013 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	–	70
Investment income	3	45,740	48,631
Total incoming resources		45,740	48,701
RESOURCES EXPENDED			
Costs of generating funds			
Investment management costs	4	1,588	409
Charitable activities			
Grants paid and associated costs	5	47,281	51,826
Governance costs	8	13,135	13,623
Total resources expended		62,004	65,858
NET INCOMING/(OUTGOING) RESOURCES		(16,264)	(17,157)
Other recognised gains/losses			
Gains/losses on investment assets		115,678	100,301
Net movement in funds		99,414	83,144
RECONCILIATION OF FUNDS			
Total funds brought forward		1,378,382	1,295,238
TOTAL FUNDS CARRIED FORWARD		1,477,796	1,378,382

The notes form part of these financial statements

Balance Sheet At 5 April 2014

	NOTES	2014 Unrestricted funds £	2013 Total funds £
FIXED ASSETS			
Investments	11	1,526,274	1,413,765
CURRENT ASSETS			
Debtors	12	482	17
Cash at bank		21,472	17,922
		<u>21,954</u>	<u>17,939</u>
CREDITORS			
Amount falling due within one year	13	<u>(70,432)</u>	<u>(53,322)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(48,478)</u>	<u>(35,383)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,477,796</u>	<u>1,378,382</u>
NET ASSETS		<u>1,477,796</u>	<u>1,378,382</u>
FUNDS			
Unrestricted funds	14	<u>1,477,796</u>	<u>1,378,382</u>
TOTAL FUNDS		<u>1,477,796</u>	<u>1,378,382</u>

The financial statements were approved by the Board of Trustees on 16th July 2014 and were signed on its behalf by:

M Bailey DiplArch FRIBA – Honorary Treasurer

Notes to the financial statements for the year ended 5th April 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Investment income is accounted for in the period in which the charity is entitled to receipt. Voluntary income and donations are accounted for as received by the charity, with full provision made for the associated taxation consequences. Legacies are included at the time when the charity is legally entitled to the income. Entitlement is the earlier of the receipt of written notification and cash received. In accordance with the amended charity's byelaws, legacies received are added to either the capital or income funds of the charity at the trustees discretion.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable activity.

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants. Management and administration comprises costs for the running of the charity itself as an organisation. Where costs cannot be directly attributed to either of these two categories an appropriate proportion of costs are attributed to support costs with the balance attributable to management and administration. Grants are charged on a cash basis.

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.

Fund accounting

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.

Notes to the Financial Statements – continued for the year ended 5 April 2014

2. VOLUNTARY INCOME

	2014	2013
	£	£
Subscriptions and donations	–	70

3. INVESTMENT INCOME

	2014	2013
	£	£
Income from listed investments	45,552	48,417
Deposit account interest	188	214
	<u>45,740</u>	<u>48,631</u>

4. INVESTMENT MANAGEMENT COSTS

	2014	2013
	£	£
Portfolio management	1,588	409

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Grants paid and associated costs	40,893	6,388	47,281

6. GRANTS PAID

	2014	2013
	£	£
Grants paid	40,893	45,615

7. SUPPORT COSTS

	Human resources	Other	Totals
	£	£	£
Support costs for grants paid	4,709	1,679	6,388

8. GOVERNANCE COSTS

	2014	2013
	£	£
Staff costs	9,244	8,965
Annual report and AGM	872	1,003
Auditors' remuneration	2,040	2,640
Sundry expenses	102	98
Rent	49	54
Travel	19	17
Catering expenses	57	27
Postage	19	25
Telephone	82	62
Office stationery	70	130
Advertising	20	20
Computer expenses	77	124
Legal fees	102	90
Repairs & renewals	3	–
Cleaning	164	171
Bank interest and charges	89	71
Luncheon vouchers	6	6
Insurance and service charges	120	120
	<u>13,135</u>	<u>13,623</u>

Notes to the Financial Statements – continued for the year ended 5 April 2014

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2014 nor for the year ended 5 April 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2014 nor for the year ended 5 April 2013.

10. STAFF COSTS

	2014 £	2013 £
Wages and salaries	13,853	13,420

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

	2014	2013
Average number of employees in the year	3	3

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

Staff costs represent a proportion of the salaries of the employees of the Artists' General Benevolent Institution in conjunction with which the charity is operated.

11. FIXED ASSET INVESTMENTS

	Unrestricted funds		Total £
	Capital £	Income £	
Market value as at 6 April 2013	976,415	437,350	1,413,765
Transfer between funds	437,350	(437,350)	–
Increase in market value	100,640	–	100,640
Realised profit/(loss) for the year	15,038	–	15,038
Equalisation adjustment	(1,972)	–	(1,972)
Cash movement	(1,197)	–	(1,197)
Market value as at 5 April 2014	<u>1,526,274</u>	<u>–</u>	<u>1,526,274</u>
Being:			
Investments	1,520,383	–	1,520,383
Cash	5,891	–	5,891
	<u>1,526,274</u>	<u>–</u>	<u>1,526,274</u>
Cost as at 5 April 2014	<u>1,396,446</u>	<u>–</u>	<u>1,396,446</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.

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

	Market Value	
	2014 £	2013 £
Jubilee Absolute	108,386	77,509
Cazenove Investment Fund Management Income Trust for Charities	–	324,038
Cazenove Investment Fund Management Growth Trust for Charities	300,808	585,450
Cazenove Investment Fund Management Equity Income Trust for Charities	406,163	178,235
Charity Property Fund	–	71,092
Schroder European Alpha Income Fund	81,627	–
Schroder ISF Strategic Credit C Class	89,849	–
M&G (Guernsey) Offshore Optimal Income	105,183	–

Notes to the Financial Statements – continued for the year ended 5 April 2014

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
	£	£
Other debtors	<u>482</u>	<u>17</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
	£	£
Other creditors	<u>70,432</u>	<u>53,322</u>

14. MOVEMENT IN FUNDS		Net movement	
	At 6.4.13	in funds	At 5.4.14
	£	£	£
Unrestricted funds			
General fund	<u>1,378,382</u>	<u>99,414</u>	<u>1,477,796</u>
TOTAL FUNDS	<u>1,378,382</u>	<u>99,414</u>	<u>1,477,796</u>

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

	Incoming	Resources	Gains &	Movement
	resources	expended	losses	in funds
	£	£	£	£
Unrestricted funds				
General fund	<u>45,740</u>	<u>(62,004)</u>	<u>115,678</u>	<u>99,414</u>
TOTAL FUNDS	<u>45,740</u>	<u>(62,004)</u>	<u>115,678</u>	<u>99,414</u>

15. RELATED PARTY DISCLOSURES

As at the 5th April 2014 the charity owed the Artists' General Benevolent Institution, a related charity, £68,093 (2013 - £51,309) for recharged expenses.

16. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

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

**Detailed Statement of Financial Activities
for the year ended 5 April 2014**

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Subscriptions and donations	–	70
Investment income		
Income from listed investments	45,552	48,417
Deposit account interest	188	214
	<hr/> 45,740	<hr/> 48,631
Total incoming resources	45,740	48,701
RESOURCES EXPENDED		
Investment management costs		
Portfolio management	1,588	409
Charitable activities		
Grants to individuals	40,893	45,615
Governance costs		
Wages	9,244	8,965
Annual report and AGM	872	1,003
Auditors' remuneration	2,040	2,640
Sundry expenses	102	98
Rent	49	54
Travel	19	17
Catering expenses	57	27
Postage	19	25
Telephone	82	62
Office stationery	70	130
Advertising	20	20
Computer expenses	77	124
Legal fees	102	90
Repairs & renewals	3	–
Cleaning	164	171
Bank interest and charges	89	71
Luncheon vouchers	6	6
Insurance and service charges	120	120
	<hr/> 13,135	<hr/> 13,623
Support costs		
Human resources		
Wages	4,609	4,455
Visiting expenses	100	91
	<hr/> 4,709	<hr/> 4,546

This page does not form part of the statutory financial statements

**Detailed Statement of Financial Activities
for the year ended 5 April 2014**

	2014	2013
	£	£
Other		
Bank charges	699	650
Sundry expenses	103	98
Rent	49	54
Travel	19	17
Catering expenses	57	27
Postage	19	25
Telephone	82	62
Office stationery	70	130
Advertising	20	20
Computer expenses	77	124
Legal fees	102	90
Repairs & renewals	3	–
Cleaning	164	171
Bank interest and charges	89	71
Luncheon vouchers	6	6
Insurance and service charges	120	120
	<u>1,679</u>	<u>1,665</u>
Total resources expended	<u>62,004</u>	<u>65,858</u>
Net expenditure before gains and losses	(16,264)	(17,157)
Realised recognised gains and losses		
Realised gains/(losses) on programme related investments	<u>15,038</u>	<u>(1,414)</u>
Net expenditure	<u><u>(1,226)</u></u>	<u><u>(18,571)</u></u>

giftaid it

If you are a UK tax-payer, you can use Gift Aid to make your donations go further at no extra cost to you. Using Gift Aid means that for every pound you give, the AGBI will receive an extra 25 pence from the Inland Revenue, helping your donation go further to improving the lives of professional artists.

If you Gift Aid your donation, the AGBI will receive an additional 25p for every pound you give.

How can I sign up for Gift Aid?

All you need to do is complete our Gift Aid declaration form which is available from the office or from a Steward and we will do the rest.

How does Gift Aid work?

Gift Aid is one of the easiest ways to make your donation tax effective. The AGBI reclaims the basic rate tax from HMRC. There is no extra cost to you and the process is simple - all you have to do is make a Gift Aid declaration.

What does the Gift Aid declaration commit me to?

Absolutely nothing! It just ensures that if you choose to donate to the AGBI, we can claim an extra 25 per cent back from HMRC.

What is a Gift Aid declaration?

It is simply a statement by an individual taxpayer that they want a charity to reclaim from HMRC the tax paid on their donation. This is a great way to add 25 per cent to the value of your gift to the AGBI without it costing you a penny more!

The AGBI greatly appreciates all donations made using Gift Aid

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HRH The Duke of Sussex
HM Queen Victoria
HRH The Prince Consort
HRH The Duke of Kent KG
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HM The Queen

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Notes