
THE SPEAKER'S ART FUND

CHARITY NUMBER: 1105968

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Trustees Rt Hon Sir Lindsay Hoyle MP, Speaker of the House of Commons
Dr John Benger, Clerk of the House of Commons
Mr Mostaque Ahmed, Managing Director of Finance, Portfolio & Performance,
House of Commons

**Charity Registered
Number** 1105968

Principal Office House of Commons
London
SW1A 0AA

Secretary Elaine Thain

Independent Examiner Murtaza Jessa FCA
Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

Bankers Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

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TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees submit their annual report and the financial statements of the Speaker's Art Fund (the charity) for the year ended 30 September 2019. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of Accounting and Reporting by Charities: The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015).

Structure, Governance and Management

a. Constitution

The charity is governed by its trust deed dated 16th December 2002 as amended by resolutions dated 9 June 2004, 25 July 2007, 29 June 2016. It became registered as a charity with the Charity Commission on 22nd September 2004, with charity number 1105968.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The body of trustees consists of three ex-officio trustees being the Speaker of the House of Commons, the Clerk of the House of Commons and the Director of Finance. Trustees are automatically appointed when holding these posts.

On the appointment of a new Trustee, the Secretary provides relevant background information to the Fund along with the relevant Charity Commission guidance to ensure the Trustee is aware of his or her responsibilities. The roles and responsibilities of Trustees are set out in the Charity Commission publication CC3 – The Essential Trustee: What you need to know?

c. Organisational Structure and Decision Making

The charity has a board of trustees that meet regularly. New Trustees were appointed during 2018/19 as follows:

- Rt Hon Sir Lindsay Hoyle MP, Speaker of the House of Commons appointed on November 2019 (replaced Rt Hon John Bercow MP, Speaker of the House of Commons)
- Dr John Benger, Clerk of the House of Commons appointed on 2 March 2019 (replaced David Natzler, Clerk of the House of Commons).
- Mr Mostaque Ahmed, Managing Director of Finance, Portfolio & Performance appointed on 1 May 2019 (replaced Myfanwy Barrett, Managing Director of Corporate Services).

Day-to-day operations are carried out by the Secretary of the Trust, Elaine Thain and House of Commons administrative staff.

Objectives and Activities

a. Policies and Objectives

The principal objectives of the charity are:

- to advance the education of the public in its knowledge and understanding of the system of Government, and of the constitutional and political history of the United Kingdom through the collection and displays of works of art and other related activities; and

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- the advancement of religion in the area surrounding the Palace of Westminster, in particular but not exclusively by providing for the repair and upkeep of St Margaret's Church and by providing and maintaining furniture and fittings which contribute to the work and witness of the church.

There have been no changes in the objectives since the last annual report.

The Trustees confirm that they have 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 also confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when making those purchases, contributions and commissions set out in the review of activities and also on reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

b. Activities for Achieving Objectives

The charity makes donations or awards grants to the House of Commons and other bodies in order that it may commission and/or fund the purchase of various works of art that relate to government, the constitution or political history of the United Kingdom or for the repair or enhancement of St. Margaret's Church. The charity also occasionally receives donations. The charity also contributes to exhibitions which can demonstrate that they meet the objectives of the charity.

Achievements and Performance

a. Review of Activities

During the year, the Speaker's Art Fund paid funds for ongoing projects including Vote 100 exhibition and agreed to fund a new project during the next financial year to continue over 4 years. The charity agreed the following:

- To contribute to the purchase of Portrait of Lucy Baldwin
- Funds to support the development of the Pontefract Secret Ballot project-Wakefield Museums

Details of the charity's funding of future projects are shown in Note 13 to these accounts.

The charity does not fundraise with members of the public.

Financial Review

a. Reserves Policy

The Fund retains a general reserve to provide sufficient resources to enable the charity to continue to fund its activities. The surplus or deficit on the Fund's activities are credited to the general reserve each year and the Trustees continue to keep the level under review. The current balance of £326,102 is considered necessary to provide adequate resources for future schemes approved by the charity (see Note 13) and funding the purchase of potentially expensive art acquisitions as and when they come onto the market.

b. Financial Position

Net expenditure before investment gains/losses for the year ended 30 September 2019 was £387,100.

Review of long-term finances

It was agreed that going forward, Trustees would need to ensure that future grants are approved at a sustainable level. Immediate action has been taken to reassess the investment strategy with funds being transferred to a lower risk portfolio. Current forecast balance at 30 September 2020 is £273,000 (£200,000 investments & £73,000 cash).

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Future Developments

The Charity will continue to make donations towards the acquisition and commission of artwork as and when important pieces of work become available, and as decided by the Trustees. The Trustees continue to support the development of exhibitions and projects which meet the objectives of the fund, see note 13.

Trustees' Responsibilities

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

The law applicable to charities in England and Wales 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations 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.

This report was approved by the Trustees and signed on its behalf, by:

**Mostaq
e Ahmed** Digitally signed by
Mostaque Ahmed
Date: 2020.06.03
16:59:14 +01'00'

M Ahmed - Trustee

Date:

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SPEAKER'S ART FUND

I report to the Trustees on my examination of the accounts of the Speaker's Art Fund for the year ended 30 September 2019 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Murtaza Jessa FCA
Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

Date: 04/06/2020

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2019

		Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM:					
Other trading activities	2	-	25,396	25,396	26,597
Investments	3	202	7,733	7,935	11,051
TOTAL		202	33,129	33,331	37,648
EXPENDITURE ON:	4				
Raising funds		-	6,010	6,010	6,572
Charitable activities	5	-	414,421	414,421	27,365
TOTAL		-	420,431	420,431	33,937
NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS		202	(387,302)	(387,100)	3,711
Net (loss)/gains on investments	8	-	(6,640)	(6,640)	10,537
NET INCOME/NET MOVEMENT IN FUNDS		202	(393,942)	(393,740)	14,248
Reconciliation of funds					
<i>Funds at 1 October 2018</i>		71,579	648,263	719,842	719,842
TOTAL FUNDS AT 30 September 2019		71,781	254,321	326,102	719,842

The notes on pages 8 to 15 form part of these financial statements.

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BALANCE SHEET AS AT 30 September 2019

	Note	2019	2018
		£	£
FIXED ASSETS			
Investments	8	214,612	528,219
CURRENT ASSETS			
Debtors	9	-	11,000
Cash at bank		114,730	186,983
		<u>114,730</u>	<u>197,983</u>
Creditors - amounts falling due within one year	10	<u>(3,240)</u>	<u>(6,360)</u>
NET CURRENT ASSETS		111,490	191,623
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>326,102</u>	<u>719,842</u>
CHARITY FUNDS			
Restricted funds	11	71,781	71,579
Unrestricted funds	12	254,321	648,263
TOTAL FUNDS		<u>326,102</u>	<u>719,842</u>

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

Mostaque Ahmed
Digitally signed by Mostaque Ahmed
Date: 2020.06.03 17:00:57 +01'00'

M Ahmed – Trustee

Date:

The notes on pages 8 to 15 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 September 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

The Speaker's Art Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the Trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

c. Investments

Investments are stated at fair value less impairment.

d. Funds

The different funds are defined as follows:

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor.

Unrestricted funds are those funds available to the charity for its general purposes.

It is the policy of the Trustees to retain unrestricted funds, amounts in which in their judgement, can help to mitigate the short-term effect of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

e. Income recognition

This comprises amounts receivable from the various activities and investment income. All income is recognised once the charity has entitlement to the income; it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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Investment income is credited to income when it is receivable, and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

f. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly of the purchase of artwork and support of the development of exhibitions and projects in line with the charity's objectives.

Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of independent examination, legal fees and other professional advice.

g. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j. Estimation uncertainty

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

k. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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I. Critical accounting estimates and judgements

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

2. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
House of Commons Retail Services	23,597	22,903
Commission from Christmas card sales	1,799	3,669
Sales	-	25
Total	25,396	26,597

3. INVESTMENT INCOME

	2019	2018
	£	£
Income from listed investments	4,507	10,663
Bank Interest	506	388
Other	2,922	-
Total	7,935	11,051

4. ANALYSIS OF EXPENDITURE - 2019

	Direct costs	Investment	2019	2018
	£	Management	£	£
		costs		
		£		
Raising funds:				
Fundraising	-	150	150	196
Investment management costs	-	2,500	2,500	5,536
Charitable Activities:				
Purchases of art works (note 5)	414,421	-	414,421	24,965
Governance costs (note 6)	3,360	-	3,360	3,240
Total	417,781	2,650	420,431	33,937

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ANALYSIS OF EXPENDITURE -2018

	Direct costs £	Investment Management costs £	2018 £
Cost of generating funds	-	196	196
Investment management costs	-	5,536	5,536
Charitable Activities	24,965	-	24,965
Governance	3,240	-	3,240
Total	28,205	5,732	33,937

5. CHARITABLE ACTIVITIES

During the year, the charity made the following grants and purchases:

Contribution towards the Vote 100 Exhibition	£404,421
Educational project to commemorate Harold Wilson, 'With thanks to Harold'	£10,000

6. GOVERNANCE COSTS

	2018 £	2017 £
Independent examiner's fee	3,360	3,240
	3,360	3,240

7. TRUSTEE EXPENSES

During the year, no Trustees received any remuneration (2018 – nil)

During the year, no Trustees received any reimbursement of expenses (2018 – nil)

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8. FIXED ASSET INVESTMENTS

	Total £
Fair value	
As at 1 October 2018	528,219
Additions	3,550
Disposals	(310,517)
Net (loss)/gain	(6,640)
At 30 September 2019	214,612
Asset Classes and Values at 30 September 2019	
SWIP FM IPS Growth	61,509
SWIP FM IPS Income	153,103
	214,612

9. DEBTORS

	2019 £	2018 £
Sundry debtors - HoC Retail Services	-	11,000
	-	11,000

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10. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Sundry creditors - Hoc Retail Services	-	-
Accruals	3,240	6,360
	3,240	6,360

11. RESTRICTED FUNDS

The charity has one restricted fund received from the Heritage and Works of Art Trust. This fund is restricted to 'advancing the education of the public in its knowledge and understanding of the system of Governmentthrough the collection and displays of works of art'.

The movement in fund is as follows:

	2019 £	2018 £
Balance at 1 October	71,579	71,425
Movement in fund	202	154
Balance at 30 September	71,781	71,579

12. STATEMENT OF FUNDS - 2019

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds	71,579	202	-	-	71,781
Unrestricted funds	648,263	33,129	(420,431)	(6,640)	254,321
Total funds	719,842	33,331	(420,431)	(6,640)	326,102

STATEMENT OF FUNDS - 2018

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds	71,425	154	-	-	71,579
Unrestricted funds	634,169	37,494	(33,937)	10,537	648,263
Total funds	705,594	37,648	(33,937)	10,537	719,842

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13. CHARITABLE COMMITMENTS

The charity has the following outstanding commitments:

Vital Voters Partnership between Parliament's Participation team
and People's History Museum (expenses to be incurred from 2019/20 – 2020/21)

£90,000

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019

	Unrestricted Funds	Restricted Funds	Total
Fund balances at 30 September 2019 are represented by:	£	£	£
Investments	214,612	-	214,612
Current assets	42,949	71,781	114,730
Creditors	(3,240)	-	(3,240)
	254,321	71,781	326,102

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2018

	Unrestricted Funds	Restricted Funds	Total
Fund balances at 30 September 2018 are represented by:	£	£	£
Investments	528,219	-	528,219
Current assets	126,404	71,579	197,983
Creditors	(6,360)	-	(6,360)
	648,263	71,579	719,842

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15. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Financial assets measured at fair value	214,612	528,219
Financial assets measured at amortised cost	-	11,000

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include sundry debtors.

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018
	£	£	£
INCOME FROM:			
Other trading activities	-	26,597	26,597
Investments	154	10,897	11,051
TOTAL	154	37,494	37,648
EXPENDITURE ON:			
Raising funds	-	6,572	6,572
Charitable activities	-	27,365	93,287
TOTAL	-	33,937	33,937
NET INCOME/ (EXPENDITURE) BEFORE GAINS ON INVESTMENTS	154	3,557	3,711
Net gains on investments	-	10,537	10,537
NET INCOME/NET MOVEMENT IN FUNDS	154	14,094	14,248
<i>Reconciliation of funds:</i>			
<i>Funds at 1 October 2017</i>	<i>71,425</i>	<i>634,169</i>	<i>705,594</i>
TOTAL FUNDS AT 30 September 2018	71,579	658,263	719,842