

**Federation
of British
Artists
Limited (The)**

**Report of the Board and
Consolidated Financial
Statements**

31 December 2020

Company Limited by Guarantee
Registration Number
683275 (England and Wales)

Charity Registration Number
200048

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Chairman's foreword

Directors and Trustees

The following trustees and officers were in office during the year and since the year-end:

Alastair Adams RP
Linda Alexander ROI (appointed 6th October 2020)
David Brammeld RBA
Jeannette Corina De Lacey PS
Eela Devani
Jonathan French
Jonathan Glasspool (Chairman)
David Glazebrook (appointed 6th October 2020)
Robin Hazlewood RI
Geoffrey Huband RSMA (appointed 6th October 2020)
Nicholas Pollard SWLA
Alan Power HH
David St John Rosse RSMA (resigned 6th October 2020)
Benjamin Ward NEAC (resigned 3rd December 2020)

Executive Team

Clare O'Brien (CEO)
Amy Huntington (Head of Exhibitions and Events)
Eamonn Bambury (Director of Finance and Operations)

Auditor

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Solicitor

Stone King LLP
16 St John's Lane
London EC1M 4BS

Investment Manager

Quilter Cheviot
1 Undershaft
London EC3A 8BB

Banker

Barclays Bank plc
Level 27
1 Churchill Place
London E14 5HP

Chairman's foreword

No-one could have anticipated 2020's year-end out-turn caused by the global pandemic and the ensuing disruption to businesses, trading and for the FBA the cessation of exhibitions and gallery visits. 2020 began for the Federation of British Artists with three successful exhibitions, both in terms of quality and lively art sales. These were *FBA Futures* a showcase for recent graduates from art schools, the annual exhibitions of the Pastel Society and the Royal Society of British Artists. Then on 17 March, the doors of Mall Galleries closed until September. Having reopened five art society exhibitions were staged and only one was online only. The number of people wishing to commission a portrait was half the number in 2019, and inevitably visitor numbers were at 20% of the previous year. Unsurprisingly the income driver providing 50% of our revenue, gallery hire, collapsed.

Thanks to careful fiscal management in previous years, the reserves of the Federation were healthy and we were able to remain a going concern into 2021 despite a significant loss of income. Rent holidays from the landlord, Crown Estate; the government job retention scheme and business rates rebates have all contributed to a better end of year position than we anticipated.

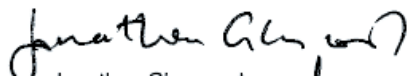
We were not complacent during these periods of lockdown. As with colleagues in the arts sector and many others, we focussed much of our efforts on digital channels. We placed more art for sale online, improved the tools to purchase and provided more visual and artistic content. The appetite of artists wishing to show at our exhibitions continues to increase, with over 12,500 works submitted. Of course, this means the competition for selection to one of the art society exhibitions is tougher. We also looked at our infrastructure and processes and stream-lined these to improve the customer journey and create more efficient working processes.

The FBA enters 2021 feeling resilient, with ambitious plans to celebrate its 60th anniversary and 50th at Mall Galleries with its own art exhibition, *Figurative Art Now*. The nine art society annual exhibitions are underway having made a promising start with the Pastel Society and RBA shows. We will continue to prioritise art sales; create new attractive packages for gallery hire; improve our digital offering, and widen our reach internationally.

Figurative art and the artists remain at the centre of our operation - to be *the destination of choice for figurative art*.

I would like this year to thank Crown Estate and the Government for their support during this very difficult year for everyone. But most importantly, to acknowledge the loyalty and hard work of Clare O'Brien and the wonderful team at FBA, many of whom who have been furloughed for considerable periods of time.

We all look forward to welcoming you back to the galleries.



Jonathan Glasspool
Chairman

The Board of Trustees (the “Board”) is pleased to present the annual report and review of the Federation of British Artists (the “Federation”), together with the consolidated financial statements of the Federation and its subsidiary company Mall Galleries Trading Limited for the financial year ended 31 December 2020. This report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 33 and comply with the charity’s Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Structure, Governance and Management

Structure

The Federation of British Artists Limited was established as a company limited by guarantee and is governed by a Memorandum and Articles of Association dated 13 February 1961. In October 2009 the company’s Articles were updated to comply with the requirements of the Companies Act 2006. These revised Articles have been filed at Companies House and with the Charity Commission.

The company, which does not have share capital, is registered as a charity with the Charity Commission and manages a large, modern gallery space - Mall Galleries - in the heart of central London.

There are nine member art societies, each of which brings a long and distinguished heritage to the Federation. Eight of these members are also registered charities: Royal Institute of Painters in Water Colours, Royal Society of British Artists, Royal Society of Marine Artists, Royal Society of Portrait Painters, Royal Institute of Oil Painters, New English Art Club, Pastel Society and Society of Wildlife Artists. The ninth member is the Hesketh Hubbard Art Society, London’s largest life-drawing group.

A Board of Trustees is responsible for governance and control of the company and meets at least four times a year. The delivery of the charity’s objectives and the Board’s policy-making decisions are delegated to the staff of the Federation under the direction of the chief executive officer.

Appointment of Trustees

Members of the Board constitute directors of the charitable company for the purposes of the Companies Act 2006 and trustees of the charitable company for the purposes of charity legislation.

Structure, Governance and Management (continued)

Appointment of Trustees (continued)

The Board comprises a maximum of nine elected trustees, each of whom is recruited from and by the representatives of the nine member art societies of the Federation at a general meeting of the company. Additionally, up to six co-opted trustees may also be appointed. These trustees are recruited by personal contact for the expertise they bring in areas such as marketing, legal affairs and finance. Existing trustees carry out an assessment of each new governor's skills in order to evaluate their potential contribution to the charity's development before they are appointed. The members of the Board elect the chairman.

On election or co-option to the Board, trustees are sent a pack of relevant documents to enable them to understand their legal responsibilities as directors and to fulfil their responsibilities as trustees of the charity. This pack comprises the company's Articles of Association, advice on disclosure of interests, financial statements and minutes of the board meetings for the previous year. All members of the Board receive regular information from the Director and Secretary on matters relating to the Federation and its future plans, as well as to more general matters relating to charity governance. Elected trustees already have a good understanding of the Federation and how it is organised through their membership of one of the constituent art societies.

All trustees retire by rotation every three years and are eligible for re-election to serve up to a maximum of six years continuously. After six continuous years of service they are not eligible for re-election for at least one year.

Organisation

The CEO is responsible for the day-to-day management of the charity and for implementing all policy decisions determined by the Board. An Executive team, comprising a Director of Finance and Operations and the Head of Exhibitions and Events, support the CEO.

While still retaining final responsibility, the Board delegates oversight of certain important areas of governance to three committees, each of which reports to and is accountable to the Board. These committees include the Finance and Budget Committee, which considers all matters relating to finance, the charity's annual budget, investments, remuneration and risk management; the Exhibitions Committee, which monitors overall standards and evaluates all non-member exhibitions for their contribution to furthering the objectives of the charity; and the Education Committee, the function of which is to further the educational initiatives of the Federation.

The key management personnel of the charity in charge of directing, controlling, running and operating the charity comprise the Trustees, the CEO and the Executive team. Remuneration of the CEO and the Executive team is overseen by the charity's Finance and Budget Committee, with reference to industry benchmarking. The same Committee advises and assists with personnel, recruitment and disciplinary issues when required.

Structure, Governance and Management (continued)

Organisation (continued)

The Federation is an equal opportunities employer. Recruitment criteria and procedures ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. Where appropriate and possible, special training is provided to enable employees to progress.

The trading activities of the Federation are conducted by Mall Galleries Trading Limited, the charity's wholly owned trading subsidiary, incorporated in England and Wales in July 2007 (registered number 06315430). The company has a licence from the charity to operate all sponsorship and retailing activities on behalf of the charity. It donates all its profits in the year to the Federation by way of Gift Aid.

Risk Management

The Executive team and Board have a strategy for the management of risks faced by the charity. Risk processes are kept under constant review and comprise the following key controls:

- ◆ A formal quarterly assessment of all risks by the Finance and Budget Committee, in conjunction with senior charity staff, which leads to the updating, monitoring and circulation of a Register of Headline Risks to mitigate these risks throughout the year.
- ◆ A formal annual review of the charity's risk management process by the Finance and Budget Committee.
- ◆ A review of the charity's Register of Headline Risks at each meeting of the Board.
- ◆ Regular executive meetings take place, weekly, fortnightly and monthly with the senior management team; project managers and all the staff to ensure effective planning and delivery takes place.

Through the implementation of these risk management controls, the Board has evaluated the main financial and non-financial risks to the organisation and is satisfied that the risks identified are adequately monitored and managed.

The key risks for the charity, as identified by the trustees, are described below, together with the principal ways in which they are mitigated:

Disruption cause by Covid-19

The impact of Covid-19 on the business has been significant, however the healthy reserves, cash balance and the government job retention scheme along with other expenditure savings have enabled the organisation to plan for a resilient future, whilst safeguarding the safety of the FBA's staff and its visitors. Longer term budget planning, modelling cost-effective approaches to achieving the organisation's objectives and reducing expenditure all contribute towards ensuring the FBA is a going concern.

The following is the impact on the galleries' activities in 2020 and our actions to mitigate the risk:

Structure, Governance and Management (continued)

Risk management (continued)

- ◆ Gallery was closed between March and August and in November 2020, and as 2021 began, it was closed from January – 14 April 2021.
- ◆ Exhibitions were rescheduled and works of art placed online for sale.
- ◆ Cancellation or deferment of most of the gallery hirers for either exhibitions or one-off events over a full nine months.
- ◆ Visitor numbers much reduced until wider society reopens in full.

Mitigation:

- ◆ Improvement of digital platform for sales and increased marketing activity digitally, to attract a wider market of buyers.
- ◆ Staging online exhibitions as well as physical exhibitions.
- ◆ Gallery hirers – reviewing the hire package.
- ◆ Expenditure savings:
 - ◇ Staff – Utilisation of the Government Job Retention Scheme.
 - ◇ All staff were placed on the scheme in some capacity.
 - ◇ Holiday for both rent and for business rates.
 - ◇ Reduced or no activity has led to savings in the running cost of the premises.

Premises

The Federation operates from Grade 1-listed premises built in 1863. The age of the building requires us to undertake continuous monitoring for repairs and maintenance. Issues identified in the Fire Risk Assessment each year are assessed and prioritised for attention.

Water ingress and other faults arising within the building and, in particular, within the charity's Learning Centre require frequent vigilance.

The unusable parts of the Learning Centre have been closed and impaired in the 2020 accounts. We ran FBA futures in the Gallery in January for young and emerging artists. We were able to run a number of Hesketh Hubbard life drawing classes in the Gallery when we were open, of course adhering to strict Covid-19 guidelines.

In cooperation with the charity's landlord, security issues and fire alarm resources are monitored continuously.

Structure, Governance and Management (continued)

Risk management (continued)

Gallery Operations

Regular servicing of the Galleries' principal air conditioning and heating unit is required to maintain the operational efficiency of the system, installed in 2016.

A Major Incident Response protocol has been developed to manage incidents comprising an actual or suspected threat from inside or outside the premises.

The volume of visitors at all our exhibitions and events is monitored to ensure Mall Galleries complies with Westminster City Council licensing requirements.

Organisation & Governance

All pay reviews are evaluated for impact on operational and financial performance.

Staffing issues, including new appointments and where appropriate, disciplinary matters, are escalated by the executive team to the Finance and Budget Committee.

Reputational risks are evaluated at each quarterly Finance and Budget Committee meeting.

A comprehensive review of operating platforms and databases was initiated in 2017, to enable the charity to ensure compliance with the new and stronger controls over the use of personal data (General Data Protection Regulations).

Data security issues and controls are monitored and enhancements made to protect data from systems failures.

Finance

Cash flow is kept under continual review. Accounting systems are being upgraded with a view to introducing greater efficiencies to Members, Friends, artists, Gallery visitors and reporting to the Board. Achieving and maintaining the charity's agreed level of free reserves is a priority monitored by the Board.

The combination of quarterly statements together with a rigorous forecasting process alerts the Finance and Budget Committee and trustees to any variances requiring attention.

The charity's financial priorities, as set out and agreed by the trustees or identified during the annual audit, are kept under constant review.

Objectives of the Charity

Our Mission Statement

The Federation aims to provide a national focal point for contemporary figurative and representational art in a variety of different mediums and genres by living artists.

The charity encourages and promotes the practice and appreciation of the visual arts. We champion young and emerging talent, together with well-established artists.

Education and accessibility lie at the heart of the Federation. The charity is committed to offering an active programme of education to diverse audiences. The charity also aims to make its exhibitions and activities accessible to the widest number of visitors and age groups.

The Federation sets out to achieve these objectives by:

- ◆ Providing administration, technical services and facilities for the Federation's member societies and for their annual exhibitions held at Mall Galleries.
- ◆ Providing concessionary access to large numbers of our visitors and free access to everyone under the age of 25.
- ◆ Providing facilities for the weekly life-drawing sessions of the Hesketh Hubbard Art Society.
- ◆ Providing exhibition facilities for other artists, group shows and organisations whose objectives are consistent with furthering the charitable objectives of the Federation.
- ◆ Facilitating prizes and bursaries to artists with the aim of encouraging participation and fostering excellence.
- ◆ Mounting new exhibitions that further the role of the Federation as a forum for contemporary figurative painting and sculpture.
- ◆ Organising debates, tours, workshops and artist-led demonstrations, most of which are free to visitors and all of which draw on the rich resources of our member societies.
- ◆ Reaching out to a diverse range of audiences through an innovative art and heritage education programme of on-site workshops and community outreach. The charity is committed to engaging some of the most excluded and marginalised audiences.

After consideration of the Charity Commission's guidance on public benefit, the Board regards these initiatives, together with our commitment to accessibility, as important means of delivering public benefit.

In order to finance these activities, the Federation is reliant for the majority of its income on donations, sponsorship, sales commissions, gallery rental, our Friends, patrons and membership fees. We receive no government funding.

Review of Achievements and Performance

Exhibitions

A total of 18 exhibitions were hosted in 2020.

x14 physically staged at Mall Galleries.

x4 took place online only.

These included:

- ◆ x8 Federation of British Artists, Society Annual Exhibitions
- ◆ x4 Federation of British Artists, Initiatives;
 - ◇ FBA Futures; *a contemporary exhibition by emerging, recently graduated artists*
 - ◇ A Theatre of Portraits; *an exhibition by The Royal Society of Portrait Painters and Watts Gallery*
 - ◇ FBA Prize Winners; *online exhibition of award-winning artists*
 - ◇ Figurative Art Fair; *online exhibition celebrating figurative art*
- ◆ x1 Art Fair
- ◆ x1 Solo Exhibition
- ◆ x3 Group Exhibitions
- ◆ x1 Art Exhibition and Auction Showcase

Full List of Exhibitions staged in 2020:

FBA Society Annual Exhibitions

- The Pastel Society
- Royal Society of British Artists
- Royal Institute of Painters in Water Colours
- Royal Society of Portrait Painters
- New English Art Club
- Royal Society of Marine Artists
- Society of Wildlife Artists
- Royal Institute of Oil Painters

Art Fairs

- Connect Art Fair

Review of Achievements and Performance (continued)

Exhibitions (continued)

<p>Solo Exhibitions - Bryan Senior</p> <p>Group Exhibitions - Welsh Art Week - The Wapping Group - Minerva - Glorious Britain in Spring; Weekend Magazine</p> <p>Art Exhibition and Auction Showcase - Modern Made; Lyon and Turnbull</p> <p>FBA Initiatives/Curated Exhibitions - FBA Futures - A Theatre of Portraits - FBA Prize Winners - Festival of Figurative Art</p>
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Artworks

Federation of British Artists (FBA) exhibition highlights:

- ◆ 61% of the artworks shown were by FBA members and 39% non-members (including invited artists).
- ◆ In total for the year, 2,881 artworks were exhibited.

In addition to which:

- ◆ FBA Futures comprised 76 works by 47 artists.
- ◆ A further c.50 artworks were commissioned, equally split between portraits and non-portraits.

We were pleased to welcome a limited number of Non-FBA exhibitions to the galleries when possible to do so. Exhibition highlights included:

Figurative painter and realist Bryan Senior presented; *People, Places and Things*. A major retrospective of paintings spanning almost forty years, focussing on the visible and tangible world.

Scottish and London based Auction house, Lyon & Turnbull, returned to the galleries with *Modern Made*. An exhibition celebrating the best of Post-War and Modern Design across multiple disciplines covering paintings, works on paper, prints, ceramics, glass and design, prior to auction.

Review of Achievements and Performance (continued)

Artworks (continued)

Connect, The Independent Art Fair - an affordable Art Fair run by a collective of London and regionally based dealers, returned for its second year in January.

Minerva 2020 Annual Exhibition took place in Autumn, bringing together the works of 230 contemporary Japanese artists working in a variety of styles and media. A particular accomplishment in the aftermath of earlier Covid-19 related travel restrictions.

Visitors to the Galleries and online digital engagement

- ◆ Instagram 30,296 > 40,384 = 33.3% increase
- ◆ Twitter 13,612 > 14,468 = 6.3% increase
- ◆ Facebook 22,116 > 23,838 = 7.8% increase
- ◆ Gallery Visitors: c. 25,000

Website:

- ◆ Users 383,166 > 594,406 = 55.13% increase
- ◆ Sessions 619,172 > 916,127 = 47.96% increase
- ◆ Page Views 1,807,564 > 2,297,956 = 27.13% increase

Education and Learning

During each of the eight art society exhibitions, a lively programme of artist-led workshops and demonstrations ordinarily takes place in the galleries. In the absence of physical gatherings, new digital offerings in turn attracted a wide reach of virtual viewers and included; online demonstrations, lectures, studio tours and artist blogs.

The eighth edition of the gallery's annual exhibition of figurate art by new graduates, *FBA Futures* sponsored by Minerva Executive Search took place at the start of 2020 and included 47 artists from 23 art schools; four of whom won awards for their works in the show, including Tobi Alexandra Falade from Wimbledon College of Arts, winner of The Hottinger Prize.

Supporters

We are very grateful to our sponsors and Mall Galleries Friends for their invaluable support. These contributions enable the many and generous art prizes and the learning programme which focusses in particular on nurturing and encouraging emerging artists to develop their careers.

We are thankful to our FBA Mall Galleries Friends for continued support and look forward to seeing them again now that the gallery has opened.

Review of Achievements and Performance (continued)

Supporters (*continued*)

List of key donors and sponsors

Foundation Derbyshire

The Hottinger Group

Minerva Executive Search

Developing our Resources

Improvements to the infrastructure continue to be paramount – development projects in 2020 were firstly to create one integrated customer relationship management system and using it to improve targeted marketing and internal processes; secondly to update the online payment platform to ease the purchasing of a work of art; and thirdly to improve the financial processes via SAGE Pay.

Future Plans

The vision and mission of the FBA were refined in 2020 –

Vision – to be the destination of choice for contemporary figurative art

Mission – To make contemporary figurative art by living artists accessible, collectable and appreciated by everyone

The FBA ambitions for 2020-25 are to:

1. be the centre for living, figurative artists;
2. be the showcase for living figurative artists;
3. sell art with digital at the centre;
4. share expertise and knowledge to emerging artists and students;
5. significantly invest in the staff by revolutionising the infrastructure and the working environment; and
6. grow core income streams and develop new ones.

Celebrating 60 years of the Federation of British Artists and 50 years at Mall Galleries, 2021 will see the best of contemporary British figurative art hung on the gallery walls complemented by a stronger online presence and increased sales of art to a national and international audience. These will help secure a future for the FBA; assist professional artists in their career; and enhance the lives of viewers and buyers by enabling the enjoyment of excellent figurative art. To achieve this, we will continue to prioritise art sales; create new attractive packages for gallery hire and widen our reach internationally using the power of digital. The anniversaries will be marked by the FBA's online exhibition *Figurative Art Now*, offering an attractive range of prizes.

Future Plans (continued)

In terms of financial resilience, we aim to break-even in 2022 and begin to rebuild the reserves from 2023.

Financial review and policies

Results for the Year

The Federation made an operating loss in 2020 of £339,150 compared to a loss in 2019 of £28,477. We also recorded an impairment loss of £126,743 on our learning centre.

Total income of £1,126,275 was £526,666 lower than in 2019 (£1,652,941). The Gallery was closed from late March until September, again in November and most of December due to Covid-19. Income from External Exhibitions and Events was down by £443,266 driven by cancellations and deferments due to the pandemic. The Bookstore was closed in March and did not open for the remainder of the year, impacting income by £85,994. Admission income was down £23,238, however we were able to have physical shows for seven of our eight societies, of course adhering to strict Covid-19 guidelines. Portrait commission income was down £55,990 as artists were not able to have the physical sittings needed to complete their work. Furlough income from the Government scheme generated £147,026.

Our income from charitable activities was impacted by lower commissions, £113,862 lower, mainly from Portrait commission, Fine Art sales from our Oman business and commissions from our eight society shows. However all the society shows were sold on-line this year, generating good sales and we finished only 8% behind prior year. Non society income from hiring the galleries was lower due to Covid-19.

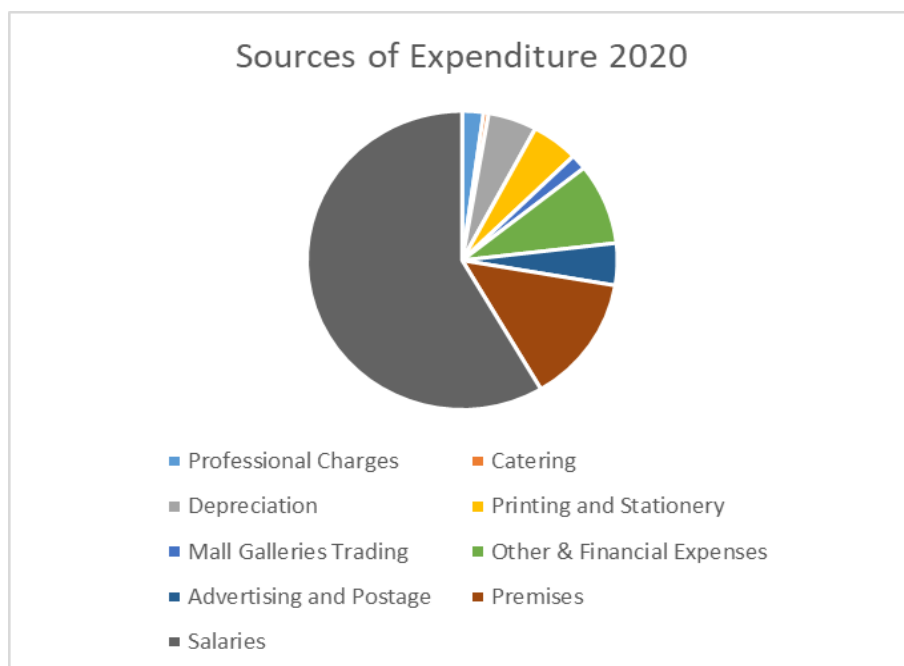
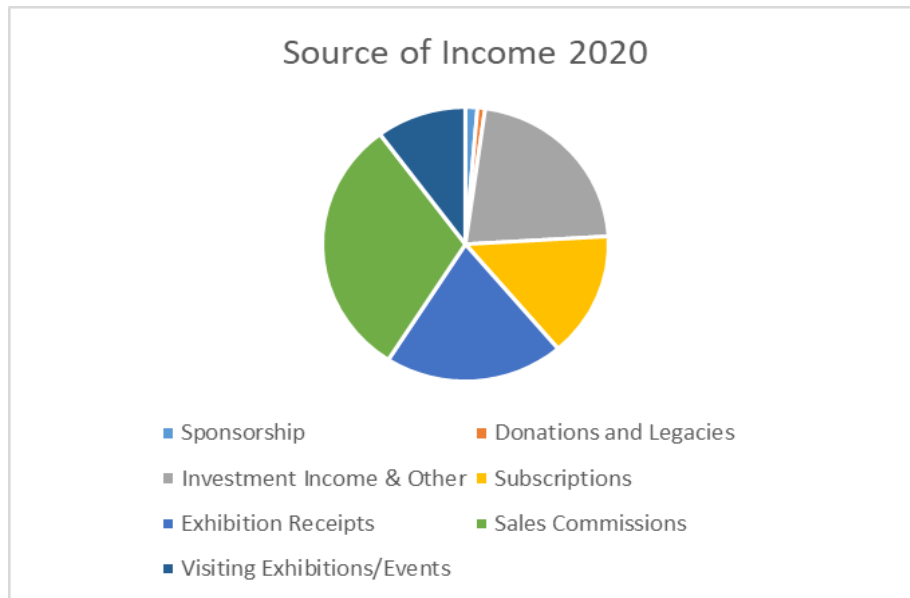
Overall expenditure was 13% lower than 2019. Charitable activities show a reduction of £217,122, approximately half of the fall in expenditure is explained by the rent and rates holiday we got from our landlord and local authority (£100,420). As the Bookstore was closed for nine months we did not have the cost of sales generating a saving of (£50,446). All the rest of the savings came from the running of the premises and reduced operating costs.

Salaries formed 58% of our total costs and were higher than in 2019 which was 50%. We appreciate the staff are the most valued asset of the organisation without which we cannot operate.

Our overall cash position of £697,323 at the end of December 2020 shows a reduction of £307,072 driven by the impact of Covid-19, however we are still in the good cash position which will give the Federation resilience in the face of ongoing restrictions in 2021.

Financial review and policies (continued)

Sources of Income and Expenditure



Financial review and policies (continued)

Our Policies

The Federation has written policies and guidelines in place to cover the wide-ranging areas of our business, encompassing everything from the management of our premises and energy efficiency to promoting best practice in the wider arts sector.

These policies include: Health & Safety Policy, Energy Policy, Learning Centre Management & Maintenance Plan, Education Policy, Learning Centre Protocols, Child Protection and Safeguarding Vulnerable Adult Policy, Volunteer Policy, Access Statement and Intellectual Property Policy.

All Federation employees are required to understand and comply with these policies, which we review annually to ensure they are suitable for the organisation's structure and objectives. We strive to update our policies through on-going consultations with FBA Trustees, staff, artists and partners, as well as from public feedback.

Pricing Policy

Accessibility is a key element of our public benefit offering. We are committed to enabling as many people as possible to view our exhibitions and to participate in activities, regardless of their income and ability to pay. We charge a modest fee to enter some of our exhibitions at Mall Galleries. However, we offer concessions for local groups and networks, as well as for all students and visitors aged 65 or over. Friends and Patrons of Mall Galleries and all visitors under 18 years of age obtain free admission to all exhibitions.

Investment Policy

No Investments were held by the Federation as at 31 December 2020. All future investments will be impacted by the need to use cash reserves to support the organisation during the Covid-19 pandemic.

Interest on funds held in bank deposit accounts was £1,072 (2019: £1,973). Interest rates continue to be very low.

Reserves Policy and Going concern

The balance sheet shows total reserves of £886,002 (2019 - £1,351,895) consisting of restricted funds of £25,409 (2019 - £25,946) designated funds of £521,192 (2019 - £696,243) and free reserves of £339,401 (2019 - £629,706).

In the restricted education fund, income included £1,500 of donations from Patrons. Resources expended on educational programmes during the year amounted to £2,037. The unused balance carried forward of £25,409 will go towards the *In the Studio* project.

Financial review and policies (continued)

Reserves Policy and Going concern (continued)

Designated funds consist of the premises maintenance fund for external painting and the tangible fixed assets fund. As the planned work in 2020 did not happen this year due to Covid-19, it was decided to keep the fund at £80,000 which is sufficient to cover future maintenance and the cost of the external painting

New designations of £25,952 were made to the fixed assets designated fund to provide new IT and office equipment for the offices and upgrades of the lighting and wiring in the office. The opening balance of £616,243 at 1 January 2020, the new designations of £25,952 less the released amount of £74,260 depreciation and the impairment to the learning centre of £126,743 leaves a balance carried forward as at 31 December 2020 of £441,192. The tangible fixed assets fund recognises that the tangible fixed assets are required for the day-to-day operation of the charity and are not available for other purposes or general reserves.

Free reserves in the general fund amount to £339,401 (2019 - £629,706).

The trustees have set a target level of reserves consistent with our ability to protect our future activities from unexpected financial risk as a minimum of three months of expenditure. This equates to approximately £370,000 at 2020 levels.

Due to the Covid-19 situation our free reserves have taken a substantial hit and will continue to be affected into 2021 as the impact of the gallery being closed for nine months and then opening back up, operating within Government guidelines and social distancing rules. Thereafter we will create a plan to build our reserves back up over a 5-year period to be in line with at least three months expenditure.

The Charity's Assets

Acquisitions and disposals of fixed assets during the period are recorded in the notes to the financial statements.

The Board's Statement of Responsibilities

The Trustees (who are also directors of the Federation of British Artists for the purposes of company law and trustees for the purposes of charity legislation) are responsible for preparing the Report of the Board and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and the group and of the income and expenditure of the group for that period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, the group and of the income and expenditure of the group for that period.

Financial review and policies (continued)

The Board's Statement of Responsibilities (continued)

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

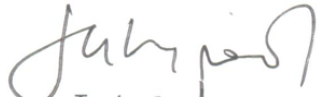
- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Board 31 December 2020

Signed on behalf of the board:

A handwritten signature in black ink, appearing to read 'Jonathan Glasspool', written in a cursive style.

Trustee

Jonathan Glasspool

Approved by the board on: 22.6.2021

Independent auditor's report to the members of The Federation of British Artists

Opinion

We have audited the financial statements of The Federation of British Artists (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2020 and of the group's income and expenditure 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also a directors' report for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 27 September 2021

Consolidated statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income and expenditure							
Income from:							
Donations and legacies	1	8,189	1,500	9,689	3,521	6,828	10,349
Sponsorship income	2	15,200	—	15,200	28,200	—	28,200
Investments	3	1,072	—	1,072	1,973	—	1,973
Charitable activities	4						
. Subscriptions		165,845	—	165,845	171,261	—	171,261
. Exhibitions		228,230	—	228,230	265,835	—	265,835
. Commissions		346,289	—	346,289	460,151	—	460,151
. Non Society exhibitions		114,736	—	114,736	558,002	—	558,002
Other income	5	245,214	—	245,214	157,170	—	157,170
Total income		1,124,775	1,500	1,126,275	1,646,113	6,828	1,652,941
Expenditure on:							
Raising funds	6	4,658	—	4,658	3,529	—	3,529
Charitable activities	7	1,458,730	2,037	1,460,767	1,657,740	20,149	1,677,889
Total expenditure		1,463,388	2,037	1,465,425	1,661,269	20,149	1,681,418
Net expenditure before impairment		(338,613)	(537)	(339,150)	(15,156)	(13,321)	(28,477)
Impairment	13	(126,743)	—	(126,743)	—	—	—
Net expenditure and net movement in funds for the year	9	(465,356)	(537)	(465,893)	(15,156)	(13,321)	(28,477)
Reconciliation of funds:							
Balances brought forward at 1 January 2020		1,325,949	25,946	1,351,895	1,341,105	39,267	1,380,372
Balances carried forward at 31 December 2020		860,593	25,409	886,002	1,325,949	25,946	1,351,895

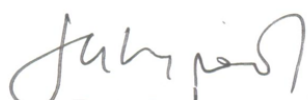
All recognised gains and losses are included in the above consolidated statement of financial activities.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheets 31 December 2020

	Notes	Consolidated		Federation	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	13	441,192	616,243	441,192	616,243
Investments	14	—	—	2	2
		441,192	616,243	441,194	616,245
Current assets					
Debtors	15	66,630	254,127	270,802	510,657
Stock		13,477	11,515	—	—
Cash at bank and in hand		697,323	1,004,395	475,706	724,377
		777,430	1,270,037	746,508	1,235,034
Liabilities:					
Creditors: amounts falling due within one year	16	(332,620)	(534,385)	(301,702)	(499,386)
Net current assets		444,810	735,652	444,806	735,648
Total net assets		886,002	1,351,895	886,000	1,351,893
The funds of the group/charity:					
Restricted funds	17	25,409	25,946	25,409	25,946
Unrestricted funds					
. Designated funds	18	521,192	696,243	521,192	696,243
. General fund		339,401	629,706	339,399	629,704
		886,002	1,351,895	886,000	1,351,893

Approved by the Board
and signed on its behalf by:



Jonathan Glasspool
Trustee

Approved on: 22.6.2021

Company Registration Number
683275 (England and Wales)

Consolidated statement of cash flows 31 December 2020

	Notes	2020 £	2019 £
Cash flow from operating activities:			
Net cash (used in) provided by operating activities	A	(282,192)	162,344
Cash outflow from investing activities:			
Dividends and interest from investments		1,072	1,973
Purchase of tangible fixed assets		(25,952)	(8,356)
Proceeds from the disposal of fixed assets		—	—
Net cash used in investing activities		(24,880)	(6,383)
Change in cash and cash equivalents in the year		(307,072)	155,961
Cash and cash equivalents at 1 January 2020	B	1,004,395	848,434
Cash and cash equivalents at 31 December 2020	B	697,323	1,004,395

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(339,150)	(28,477)
Adjustments for:		
Depreciation charge	74,260	71,040
Dividends and interest from investments	(1,072)	(1,973)
(Increase) decrease in stocks	(1,962)	8,481
Decrease (increase) in debtors	187,498	(20,285)
(Decrease) increase in creditors	(201,766)	133,558
Net cash (used in) provided by operating activities	(282,192)	162,346

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	697,323	1,004,395
Total cash and cash equivalents	697,323	1,004,395

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ allocation of expenditure and support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)

Covid-19 has had a noticeable impact on the charity's finances in the year to 31 December 2020 and this impact will also be felt into the 2nd half of 2021. The general reserves have taken a substantial hit and will need to be reinstated in the following years. In terms of income, the impact has been felt most keenly through the cancellation and deferment of gallery hires for exhibitions or one off events and also the impact on FBA exhibitions in terms of artwork sales and portrait commissions. We have reviewed the Government guidelines and have operated the gallery very mindful of employee and public safety. Expenditure has also been impacted by Covid-19, as activity has been lower, running and exhibition costs have also been lower. The Government job retention scheme has assisted in offsetting costs in relation to furloughed staff. Rent and rates holidays and other premises costs savings have had a positive impact on running costs.

Free reserves at the 31 December stood at £339,401 (2019 - £629,706). This level of reserves is just below the three month requirement stipulated by the trustees £370,000 based on 2020 accounts. As the free reserves have fallen below this level as a result of the pandemic, the charity plans to build back to at least three months in its 5 year plan. A latest estimate and cash flow has been drawn up for 2021 and 2022 based on reopening the gallery in April 2021, with continued strong sales on line to support our sales in the gallery. We assume that gallery hirers for exhibitions will come back in the 2nd half of 2021.

The trustees have reviewed and approved this and concluded, in the light of our healthy current bank balance, that the charity will be able to continue to operate in the exceptional circumstances created by the pandemic. The trustees recognise, however, that if the gallery needs to be closed down again after our opening in April 2021, this may result in the charity having to take further action to ensure its ability to continue as a going concern. Having reviewed the available evidence, the trustees have concluded that it is appropriate for the group and charity to continue to prepare its accounts on the going concern basis.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the Federation and its subsidiary Mall Galleries Trading Limited made up at the balance sheet date.

No separate statement of financial activities has been presented for the Federation alone as permitted by section 408 of the Companies Act 2006.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, sponsorship, income from charitable activities and investment income.

Income recognition (continued)

Income from charitable activities, including subscriptions, exhibitions and commissions, is recognised on a receivable basis. In the event that income is received in advance of the services being provided the income is deferred.

Sponsorship income is recognised on a receivable basis. In the event that income is received in advance of the service being provided the income is deferred.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. 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 either 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.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when 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.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and direct costs associated with raising funds.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to membership, exhibitions, commissions and education, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs, including staff related costs, and governance costs are apportioned based on estimated usage.

Tangible fixed assets

Assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

◆ Leasehold Improvements	Over the life of the lease
◆ Furniture fixtures and fittings	20% to 33.33% on a straight line basis
◆ Office equipment	20% to 33.33% on a straight line basis

Stock

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Fund accounting (continued)

Designated funds comprise funds set aside out of unrestricted funds and designated for specific purposes by the Board.

Unrestricted general funds comprise those monies which may be used towards meeting the charitable objectives of the Federation at the discretion of the Board.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pension contributions

The charity operates a defined contribution pension scheme to which all employees are eligible. The pension charge represents payments to the scheme which are charged to the statement of financial activities in the period to which they relate. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Patrons	—	1,500	1,500	—	4,750	4,750
Trusts and foundations	8,189	—	8,189	3,521	2,078	5,599
Total funds	8,189	1,500	9,689	3,521	6,828	10,349

2 Income from sponsorship

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Sponsorship income	15,200	—	15,200	28,200	—	28,200
Total funds	15,200	—	15,200	28,200	—	28,200

3 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Bank interest receivable	1,072	—	1,072	1,973	—	1,973
Total funds	1,072	—	1,072	1,973	—	1,973

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Subscriptions						
· Members	113,739	—	113,739	113,275	—	113,275
· Friends and Patrons	52,106	—	52,106	57,986	—	57,986
	165,845	—	165,845	171,261	—	171,261
Exhibitions	228,230	—	228,230	265,835	—	265,835
Commissions	346,289	—	346,289	460,151	—	460,151
Non society exhibitions	114,736	—	114,736	558,002	—	558,002
Total funds	855,100	—	855,100	1,455,249	—	1,455,249

5 Other income

	Unrestricted funds £	Restricted Funds £	2020 Total funds £	Unrestricted funds £	Restricted Funds £	2019 Total funds £
Sale of books and materials	18,703	—	18,703	104,697	—	104,697
Catering receipts	2,402	—	2,402	8,753	—	8,753
CJRS grant	147,026	—	147,026	—	—	—
Miscellaneous income	77,083	—	77,083	43,720	—	43,720
Total funds	245,214	—	245,214	157,170	—	157,170

6 Expenditure on raising funds

	Unrestricted funds £	Restricted Funds £	2020 Total funds £	Unrestricted funds £	Restricted Funds £	2019 Total funds £
Cost of raising funds	4,658	—	4,658	3,529	—	3,529
Total funds	4,658	—	4,658	3,529	—	3,529

7 Expenditure on charitable activities

	Unrestricted funds £	Restricted Funds £	2020 Total funds £	Unrestricted funds £	Restricted Funds £	2019 Total funds £
Membership costs	36,238	—	36,238	40,822	—	40,822
Exhibitions by Member Societies	586,336	—	586,336	672,253	—	672,253
Commissioned work	317,860	—	317,860	358,120	—	358,120
Non Society exhibitions	473,839	—	473,839	533,826	13,355	547,181
Education	44,457	2,037	46,494	52,719	6,794	59,513
Total funds	1,458,730	2,037	1,460,767	1,657,740	20,149	1,677,889

Expenditure is ordinarily allocated based on staff time spent on different activities and fundraising. As a result of the Coronavirus pandemic, the ratio of staff time spent across different activities is non-comparable to previous years and therefore the allocation and apportionment of expenditure has been based on the ratio of staff time for 2019.

8 Support costs

Included within expenditure on charitable activities are support costs as detailed below:

	Membership costs £	Exhibitions by member societies £	Commissioned work £	Non Society exhibitions £	Education £	2020 Total funds £
Premises	—	75,113	36,541	75,113	16,241	203,008
Depreciation	92	17,176	15,381	18,137	23,474	74,260
Governance costs (see below)	3,053	9,931	10,414	14,791	—	38,189
	3,145	102,220	62,336	108,041	39,715	315,457

8 Support costs (continued)

	Membership costs £	Exhibitions by member societies £	Commissioned work £	Non Society exhibitions £	Education £	2019 Total funds £
Premises	—	116,562	56,706	116,562	25,203	315,033
Depreciation	88	16,432	14,714	17,350	22,456	71,040
Governance costs (see below)	3,853	11,101	11,203	14,003	—	40,160
	3,941	144,095	82,623	147,915	47,659	426,233

Support costs have been allocated on the basis of estimated usage by each activity.

Included within support costs are governance costs as detailed below:

	2020 Total funds £	2019 Total funds £
Auditor's remuneration	17,965	20,665
Legal and professional	17,791	13,480
Other governance costs	2,433	6,015
	38,189	40,160

9 Net expenditure for the year

This is stated after charging:

	2020 Total funds £	2019 Total funds £
Staff costs (note 10)	856,713	845,533
Auditor's remuneration (consolidated)		
- Audit fees: current year	16,700	16,700
- Other services: current year	2,410	3,965
Depreciation of tangible fixed assets	74,260	71,041
Operating lease rentals – buildings	46,270	130,694

During the year the charity received a rent concession from Crown Estate totalling £77,117 (2019: Nil).

10 Staff costs, remuneration of key management personnel and Trustees' remuneration

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	770,357	759,614
Social security costs	69,400	69,957
Pension costs	16,956	15,962
	856,713	845,533
Staff costs per function were as follows:		
Subscriptions	25,708	25,373
Exhibitions	347,802	343,263
Commissions	207,523	204,815
Non Society exhibitions	272,229	268,677
Education	3,451	3,406
	856,713	845,533

Staff costs are ordinarily allocated based on staff time spent on different activities and fundraising. As a result of the Coronavirus pandemic, the ratio of staff time spent across different projects is non-comparable to previous years and therefore the allocation and apportionment of staff costs has been based on the ratio of staff time for 2019.

The average number of employees, analysed by function, was:

	Average headcount		Full time equivalent	
	2020	2019	2020	2019
Subscriptions	1	1	0.66	0.69
Exhibitions	14	16	8.93	9.34
Commissions	8	10	5.33	5.57
Non Society exhibitions	10	13	6.99	7.31
Education	—	—	0.09	0.09
	33	40	22.00	23.00

The number of employees who earned £60,000 per annum (including taxable benefits) or more during the year was as follows:

	2020	2019
£60,000 - £70,000	—	1
£70,000 - £80,000	1	1

£3,961 (2019 - £4,909) pension contributions were made on behalf of these member of staffs in 2020.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the executive team. The total remuneration (including taxable benefits, employer's pension contributions and employer's national insurance contributions) of the key management personnel for the year was £242,348 (2019 - £214,552).

10 Staff costs, remuneration of key management personnel and Trustees' remuneration (continued)

No Trustee received any remuneration for services as a member of the Board during the period (2019 - £nil). Travel and printing expenses amounting to £nil were reimbursed to no Trustees (2019 - £771 to three Trustees).

11 Net income from Mall Galleries Trading Limited

Mall Galleries Trading Limited is a wholly-owned subsidiary of the Federation which is incorporated in England and Wales. Mall Galleries Trading Limited receives commercial sponsorship on behalf of the Federation. A summary of Mall Galleries Trading Limited's results for the year to 31 December 2020 are shown below:

Profit and loss account	31 December 2020 £	31 December 2019 £
Turnover	91,730	298,339
Cost of sales	(20,286)	(101,706)
Gross profit	71,444	196,633
Administrative expenses	(34,458)	(39,377)
Net profit	36,986	157,256
Amount to be distributed to the Federation under Gift Aid	(36,986)	(157,256)
Retained in subsidiary	—	—

The £2 issued share capital equalled the net assets of the company as at 31 December 2020.

12 Taxation

The Federation of British Artists Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Leasehold improvements £	Furniture fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2020	1,066,818	66,176	79,842	1,212,836
Additions	11,490	9,827	4,635	25,952
At 31 December 2020	1,078,308	76,003	84,477	1,238,788
Depreciation				
At 1 January 2020	473,961	61,557	61,075	596,593
Charge for the year	60,435	3,164	10,661	74,260
Impairment	126,743			126,743
At 31 December 2020	661,139	64,721	71,736	797,596
Net book values				
At 31 December 2020	417,169	11,282	12,741	441,192
At 31 December 2019	592,857	4,619	18,767	616,243

Investments

The investments of the charity consist solely of the charity's interest in the share capital of Mall Galleries Trading Limited.

15 Debtors

	Consolidated		Federation	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	45,360	174,735	41,173	149,400
Amounts due from subsidiary undertaking	—	—	208,444	281,953
Other debtors	—	18,153	—	18,153
Prepayments and accrued income	21,270	61,239	21,185	61,151
	66,630	254,127	270,802	510,657

16 Creditors: amounts falling due within one year

	Consolidated		Federation	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	61,278	178,841	45,633	174,173
Social security and other taxes	119,334	104,971	111,278	93,433
Deposits and fees received in advance	84,609	177,340	82,609	165,423
Other creditors and accruals	67,399	73,233	62,179	66,357
	332,620	534,385	301,699	499,386

Included above are deposit fees received in advance as set out below:

	2020 £	2019 £
Deferred income brought forward	177,340	121,999
Additional income deferred during the year	28,134	171,174
Brought forward funds released in the year	(120,865)	(115,833)
Deferred income carried forward at 31 December 2020	84,609	177,340

17 Restricted fund

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Federation and Group					
Education fund	25,946	1,500	(2,037)	—	25,409
	25,946	1,500	(2,037)	—	25,409

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Federation and Group					
Education fund	25,912	6,828	(6,794)	—	25,946
Threadneedle Exhibition	13,355	—	(13,355)	—	—
	39,267	6,828	(20,149)	—	25,946

17 Restricted fund (continued)

The Education fund comprises donations received for the learning project entitled 'In the Studio'.

18 Designated funds

	At 1 January 2020 £	New Designations £	Utilised/ Released £	At 31 December 2020 £
Federation and Group				
Premises maintenance fund	80,000	—	—	80,000
Tangible fixed assets fund	616,243	25,952	(201,003)	441,192
	696,243	25,952	(201,003)	521,192

	At 1 January 2019 £	New Designations £	Utilised/ Released £	At 31 December 2019 £
Federation and Group				
Premises maintenance fund	80,000	—	—	80,000
Tangible fixed assets fund	678,927	8,356	(71,040)	616,243
	758,927	8,356	(71,040)	696,243

The premises maintenance fund is designated to provide monies for the external painting of the galleries as required at regular intervals by the terms of the lease.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. The fund recognises the fact that the tangible fixed assets are required for the day-to-day operation of the charity and are not available for other purposes or general reserves.

19 Analysis of net assets between funds

Group	General Fund £	Designated Funds £	Restricted Funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Fixed assets	—	441,192	—	441,192
Current assets	672,021	80,000	25,409	777,430
Creditors: amounts falling due within one year	(332,620)	—	—	(332,620)
Total net assets	339,401	521,192	25,409	886,002

Group	General Fund £	Designated Funds £	Restricted Funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Fixed assets	—	616,243	—	616,243
Current assets	1,164,091	80,000	25,946	1,270,037
Creditors: amounts falling due within one year	(534,385)	—	—	(534,385)
Total net assets	629,706	696,243	25,946	1,351,895

19 Analysis of net assets between funds (continued)

Federation	General Fund £	Designated Funds £	Restricted Funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Fixed assets	2	441,192	—	441,194
Current assets	641,099	80,000	25,409	746,508
Creditors: amounts falling due within one year	(301,702)	—	—	(301,702)
Total net assets	339,399	521,192	25,409	886,000

Federation	General Fund £	Designated Funds £	Restricted Funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Fixed assets	2	616,243	—	616,245
Current assets	1,129,088	80,000	25,946	1,235,034
Creditors: amounts falling due within one year	(499,386)	—	—	(499,386)
Total net assets	629,704	696,243	25,946	1,351,893

20 Leasing commitments

At 31 December 2020 the Federation had future minimum commitments under operating leases on land and buildings as follows:

Payments which fall due:	2020 £	2019 £
Within one year	123,387	123,387
Within two to five years	493,548	493,548
After five years	596,370	719,757
Total	1,213,305	1,336,692

21 Capital commitments

At 31 December 2020, the charity had capital commitments of £nil (2019 - £nil).

22 Liability of members

The Federation is constituted as a company limited by guarantee. In the event of the Federation being wound up, members are required to contribute an amount not exceeding £1.

23 Related party transactions

The charity received commission and Trustees hire fees totalling £21,323 (2019 - £11,708) from members of the Board of Trustees in respect of the sale of paintings through exhibitions by societies of which they are members, or commissioned paintings or gallery hire. At 31 December 2020, an amount of £nil (2019 - £nil) was due from members of the Board of Trustees in respect of these activities. Commissions and gallery hire fees received by the charity were at the standard rates payable by all artists.

No donations were received from Trustees in 2020 or 2019.

Other than the transactions above there were no other related party transactions during the year.

Connected Charities

The Federation acts on behalf of nine Member Societies, of which eight are registered as charities. The details of these are given below.

Charity	Charity Reg No.	Charitable objectives
Royal Institute of Painters in Water Colours	291405	The promotion of Fine Arts and in particular the art of painting in water colours.
Royal Society of British Artists	294590	To promote, maintain, improve and advance public education by the encouragement of the Arts.
Royal Society of Marine Artists	289944	To promote, maintain, improve and advance the education of the public by the encouragement of the study and practice of the Fine and Applied Arts with particular but not exclusive reference to the sea and maritime subjects.
Royal Society of Portrait Painters	327460	To promote, maintain, improve and advance education in the Fine Arts and in particular to encourage the appreciation, study and practice of the art of portraiture.
Royal Institute of Oil Painters	327615	The encouragement and development of oil painting by holding open exhibitions of work.
New English Art Club	295780	To advance the education of the public in the art of painting and the Fine Arts.
Pastel Society	296479	The promotion of Fine Arts and in particular the art of the pastel and pencil.
Society of Wildlife Artists	328717	To foster and encourage all forms of visual art based on or representing wildlife.

The principal contact address for all connected charities is 17 Carlton House Terrace, London SW1Y 5BD.

**The
Federation
of British
Artists
Limited**

**Detailed income and expenditure
account for the year ended**

31 December 2020

These pages do not form part of the statutory
financial statements

Detailed income and expenditure account Year to 31 December 2020

	2020 £	2020 £	2019 £	2019 £
Income				
Donations		9,689		10,349
Subscriptions				
Members	113,739		113,275	
Friends & Patrons of FBA	<u>52,106</u>		<u>57,986</u>	
		165,845		171,261
Exhibition receipts				
Submission fees	178,011		171,228	
Admissions	25,916		49,154	
Catalogue sales	<u>5,569</u>		<u>14,776</u>	
		209,496		235,157
Commissions				
Galleries	241,117		260,971	
Portraits	<u>68,763</u>		<u>124,753</u>	
		309,880		385,724
Non-society exhibitions				
Galleries		112,250		517,347
Sundry receipts				
Sundry income	217,236		22,075	
Art magazine revenue	4,044		5,933	
Workshop income	1,468		11,464	
Management charge	30,285		34,451	
Rental income	<u>1,425</u>		<u>10,533</u>	
		254,458		84,455
Finance receipts				
Bank interest	874		1,567	
		874		1,567
		<u>1,062,492</u>		<u>1,405,861</u>

Reconciliation to the consolidated SOFA

	2020 £	2019 £
Per detailed income and expenditure account	1,062,492	1,405,861
Add: Mall Galleries Trading gross income	91,730	298,339
Less: Licence Fee included in non-society lets	(64)	(25,562)
Less: Management charge	(30,285)	(34,451)
Add: Catering receipts	2,402	8,753
Total income stated in the SOFA	<u>1,126,275</u>	<u>1,652,941</u>

Detailed income and expenditure account Year to 31 December 2020

	2020 £	2020 £	2019 £	2019 £
Expenditure				
Premises				
Rent and rates	50,651		151,012	
Insurance	35,856		34,026	
Light and heat	19,337		18,968	
Cleaning	20,027		34,115	
Repairs and maintenance	19,533		21,747	
Services charges	57,603		55,165	
		203,007		315,033
Printing and stationery				
Printing and stationery	75,915		84,741	
Less: receipts for catalogue illustrations	(4,044)		(5,933)	
		71,871		78,809
Advertising exhibitions		45,981		73,506
Postage and telephone		20,524		27,034
Catering	7,739		31,520	
Less: Catering receipts	(2,184)		(9,711)	
		5,555		21,810
Salaries and pensions		856,713		845,533
Professional charges				
Audit	13,750		13,750	
Legal and professional fees	18,641		13,182	
		32,391		26,932
Depreciation		74,260		71,041
Financial expenses				
Credit and merchant service	15,583		21,551	
Bank & PayPal charges	2,878		2,027	
Bad debts and recovery	—		1,412	
		18,461		24,991
Other expenses				
Sundry expenses	101,895		80,205	
Educational expenditure	6,890		22,507	
Security charges	1,297		3,238	
		110,082		105,950
		1,438,845		1,590,637
Reconciliation to the consolidated SOFA				
			2020 £	2019 £
Per detailed income and expenditure account			1,438,845	1,590,637
Add: Mall Galleries Trading expenditure			24,396	81,070
Add: Catering receipts			2,184	9,711
Total expenditure on SOFA			1,465,425	1,681,418

Analysis of expenditure Year to 31 December 2020

	2019 £	2020 £	Subscriptions £	Exhibitions £	Commissions and grants £	Non-society exhibitions £	Cost of generating funds £	Education £
Premises	315,033	203,008	—	75,113	36,541	75,113	—	16,241
Printing and stationery	79,079	59,623	—	43,251	2,580	13,792	—	—
Advertising exhibitions	131,315	67,434	—	21,058	16,298	30,078	—	—
Postage and telephone	27,062	21,428	1,949	11,995	3,062	3,136	—	1,286
Catering	27,543	5,307	785	2,456	614	1,446	—	6
Salaries	845,533	856,713	25,708	347,802	207,523	272,229	—	3,451
Audit	20,665	17,967	1,797	5,390	5,390	5,390	—	—
Legal and professional	13,480	17,792	770	3,690	4,326	4,348	4,658	—
Depreciation and loss on disposal	71,041	74,260	92	17,177	15,381	18,136	—	23,474
Financial expenses	23,989	19,305	1,275	3,482	12,229	2,319	—	—
Governance cost	6,015	2,432	487	851	698	396	—	—
Other expenses (include IT & System costs)	120,665	120,156	3,375	54,071	13,218	47,456	—	2,036
Total	1,681,418	1,465,425	36,238	586,336	317,860	473,839	4,658	46,494
Totals year to 31 December 2020	1,681,418		40,822	672,253	358,120	547,181	3,529	59,513

Summary of operating income and expenditure Year to 31 December 2020

	Income £	Expenditure £	Operating surplus/ (deficit) £
Subscriptions	165,845	36,238	129,607
Exhibitions	209,497	586,336	(376,839)
Commissions	309,880	317,860	(7,980)
	<u>685,222</u>	<u>940,434</u>	(255,212)
Non-society exhibitions	112,186	473,839	(361,653)
Other operating income/expenditure	328,867	51,152	277,715
	<u>1,126,275</u>	<u>1,465,425</u>	(339,150)