
THE SPEAKER'S ART FUND

CHARITY NUMBER: 1105968

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

THE SPEAKER'S ART FUND

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 4
Independent Examiner's Report to the Trustees of the Speaker's Art Fund	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 15

THE SPEAKER'S ART FUND

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

**Charity Registered
Number** 1105968

Principal Office House of Commons
London
SW1A 0AA

Secretary Ellie Goodchild

Independent Examiner Mark Heaton FCCA FCIE DChA
KM, Chartered Accountants
1st Floor, Block C, The Wharf
Manchester Road
Burnley
BB11 1JG

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

Schroders plc
1 London Wall Place
London
EC2Y 5AU

THE SPEAKER'S ART FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees submit their annual report and the financial statements of the Speaker's Art Fund (the charity) for the year ended 30 September 2021. 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 2019).

Structure, Governance and Management

a. Constitution

The charity is an unincorporated charity governed by its trust deed dated 16th December 2002 as amended by resolutions dated 9 June 2004, 25 July 2007, 29 June 2016, 25 January 2022 and 30 March 2022. 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 appointed under the terms of the Trust deed.

The body of trustees consists of four trustees. Three are ex-officio trustees, being the Speaker of the House of Commons, the Clerk of the House of Commons and the Director of Finance of the House of Commons. Trustees are automatically appointed when holding these posts. The fourth trustee is appointed at the agreement of the ex-officio members.

On the appointment of a new Trustee, the Secretary provides relevant background information about the Fund along with the relevant Charity Commission guidance to ensure the Trustee is aware of their 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 board of trustees meet no less than two times per year, and are currently:

- 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

Day-to-day operations are carried out by the Secretary of the Trust, Ellie Goodchild and House of Commons administrative staff. The Speaker's Art Fund has been fortunate to benefit from the pro bono support from the finance team in the House of Commons in the preparation of the Speaker's Art Fund's financial statements.

Objects and Activities

a. Objects

The objects of the charity as per the trust deed are:

1. 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
2. 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.

THE SPEAKER'S ART FUND

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 Objects

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 objects of the charity.

Achievements and Performance

a. Review of Activities

Covid-19 and lockdown restrictions has meant that the charity has not received new requests for funding. The Speaker's Art Fund, therefore, did not fund any further activities during this reporting period.

The charity does not fundraise with members of the public. Income is primarily generated by donations from the House of Commons retail services, including a set annual contribution and Christmas card sale revenue.

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 unrestricted fund balance of £329,883 is considered necessary to provide adequate resources for future schemes and funding the purchase of potentially expensive art acquisitions as and when they come onto the market.

b. Financial Position

Net income before investment gains/losses for the year ended 30 September 2021 was £28,122.

Future Developments

Trustees are considering the addition of Helen Wood, Speaker's Secretary and Chief of Staff as a fourth trustee. This would not be an ex-officio position.

Mr Mostaque Ahmed, Managing Director of Finance, Portfolio & Performance will be leaving the House of Commons. His position will be filled by the next Managing Director of Finance.

In the coming year trustees will continue to review the purpose and focus of the Speaker's Art Fund and the future direction of its work alongside clarification of the objectives of the fund.

The charity will continue to make donations towards the acquisition and commissioning of artwork as and when important pieces become available. There is a particular focus on identifying works of art that widen the diversity of Parliament's current collection and ensure that these can be taken full advantage of to meet the charitable objectives.

THE SPEAKER'S ART FUND

c. Investments

The Fund's investments have fully transferred their Capital and Income accounts from Lloyds to Schroders Personal Wealth investment account on the 22nd December 2020.

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:



M Ahmed - Trustee

Date: 18/05/2022

THE SPEAKER'S ART FUND

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2021 which are set out on pages 6 to 14.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination 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 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.



Mark Heaton FCCA DChA FCIE
KM, Chartered Accountants
1st Floor, Block C, The Wharf,
Manchester Road,
Burnley
Lancashire
BB11 1JG

26th May 2022

THE SPEAKER'S ART FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
	Note				
INCOME FROM:					
Other trading activities	2	-	26,576	26,576	38,982
Investments	3	48	3,933	3,981	5,535
TOTAL		48	30,509	30,557	44,517
EXPENDITURE ON:					
	4				
Raising funds		-	2,435	2,435	4,014
Charitable activities	5	-		-	12,000
TOTAL		-	2,435	2,435	16,014
NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS					
		48	28,074	28,122	28,503
Net (loss)/gains on investments	8	-	15,776	15,776	(8,724)
NET INCOME/NET MOVEMENT IN FUNDS		48	43,850	43,898	19,779
Reconciliation of funds					
<i>Funds at 1 October 2020</i>		59,848	286,033	345,881	326,102
TOTAL FUNDS AT 30 September 2021		59,896	329,883	389,779	345,881

The notes on pages 8 to 14 form part of these financial statements.

THE SPEAKER'S ART FUND

BALANCE SHEET AS AT 30 SEPTEMBER 2021

	Note	2021	2020
		£	£
FIXED ASSETS			
Investments	8	225,406	208,323
CURRENT ASSETS			
Debtors	9	6,588	7,110
Cash at bank		175,641	146,966
		<u>182,229</u>	<u>154,076</u>
Creditors - amounts falling due within one year	10	<u>(17,856)</u>	<u>(16,518)</u>
NET CURRENT ASSETS		164,373	137,558
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>389,779</u>	<u>345,881</u>
CHARITY FUNDS			
Restricted funds	11	59,896	59,848
Unrestricted funds	12	329,883	286,033
TOTAL FUNDS		<u>389,779</u>	<u>345,881</u>

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



M Ahmed – Trustee

Date: 18/05/2022

The notes on pages 8 to 14 form part of these financial statements.

THE SPEAKER'S ART FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements are 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 2019) – (Charities SORP (FRS 102)) and the Charities Act 2011.

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.

THE SPEAKER'S ART FUND

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.

THE SPEAKER'S ART FUND

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

	2021	2020
	£	£
House of Commons Retail Services	23,538	37,980
Commission from Christmas card sales	2,963	1,002
Other sales	75	-
Total	26,576	38,982

3. INVESTMENT INCOME

	2021	2020
	£	£
Income from listed investments	3,859	5,406
Bank Interest	122	128
Other	0	1
Total	3,981	5,535

4. ANALYSIS OF EXPENDITURE - 2021

	Direct costs	Investment Management costs	2021	2020
	£	£	£	£
Raising funds:				
Fundraising	-	-	-	-
Investment management costs	78	1,097	1,175	2,814
Charitable activities (note 5)	-	-	-	12,000
Governance costs (note 6)	1,260	-	1,260	1,200
Total	1,338	1,097	2,435	16,014

THE SPEAKER'S ART FUND

ANALYSIS OF EXPENDITURE - 2020

	Direct costs £	Investment Management costs £	2020 £
Raising funds:			
Fundraising	-	-	-
Investment management costs	78	2,736	2,814
Charitable Activities	12,000	-	12,000
Governance	1,200	-	1,200
Total	13,278	2,736	16,014

5. CHARITABLE ACTIVITIES

During the year the charity awarded no grants or made any purchases. (2020: £12,000 grant awarded)

6. GOVERNANCE COSTS

	2021 £	2020 £
Independent examiner's fee	1,260	1,200
	1,260	1,200

7. TRUSTEE EXPENSES

During the year, no Trustees received any remuneration (2021 – nil)

During the year, no Trustees received any reimbursement of expenses (2021 – nil)

THE SPEAKER'S ART FUND

8. FIXED ASSET INVESTMENTS

	Total £
Fair value	
As at 1 October 2020	208,323
Additions	32,158
Disposals	(30,851)
Net (loss)/gain	15,776
At 30 September 2021	225,406

Asset Classes and Values at 30 September 2021

IPS Growth Portfolio Q	28,424
IPS Income Portfolio Q	196,982
	225,406

9. DEBTORS

	2021 £	2020 £
Sundry debtors - HoC Retail Services	6,588	6,108
Sundry debtors – Impress Publishing: Christmas Card income 2019		1,002
	6,588	7,110

THE SPEAKER'S ART FUND

10. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Accruals	17,856	16,518
	17,856	16,518

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 Government....through the collection and displays of works of art'.

The movement in fund is as follows:

	2021 £	2020 £
Balance at 1 October	59,848	71,781
Movement in fund	48	(11,933)
Balance at 30 September	59,896	59,848

Restricted funds are held in cash.

12. STATEMENT OF FUNDS - 2021

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds	59,848	48	-	-	59,896
Unrestricted funds	286,033	30,509	(2,435)	15,776	329,883
Total funds	345,881	30,557	(2,435)	15,776	389,779

STATEMENT OF FUNDS - 2020

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds	71,781	67	(12,000)	-	59,848
Unrestricted funds	254,321	44,450	(4,014)	(8,724)	286,033
Total funds	326,102	44,517	(16,014)	(8,724)	345,881

THE SPEAKER'S ART FUND

13. CHARITABLE COMMITMENTS

The charity has no outstanding charitable commitments.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2021

	Unrestricted Funds	Restricted Funds	Total
Fund balances at 30 September 2021 are represented by:	£	£	£
Investments	225,406	-	225,406
Bank balances	115,793	59,848	175,641
Creditors	(5,856)	(12,000)	(17,856)
Debtors	6,588	-	6,588
	341,931	47,848	389,779

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2020

	Unrestricted Funds	Restricted Funds	Total
Fund balances at 30 September 2020 are represented by:	£	£	£
Investments	208,323	-	208,323
Bank balances			
Current assets	75,118	71,848	146,966
Creditors	(4,518)	(12,000)	(16,518)
Debtors	7,110	-	7,110
	286,033	59,848	345,881

15. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Financial assets measured at fair value	<u>225,406</u>	<u>208,323</u>
Financial assets measured at amortised cost	<u>-</u>	<u>-</u>

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include sundry debtors.

THE SPEAKER'S ART FUND

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
INCOME FROM:			
Other trading activities	-	38,982	38,982
Investments	67	5,468	5,535
TOTAL	67	44,450	44,517
EXPENDITURE ON:			
Raising funds	-	4,014	4,014
Charitable activities	12,000		12,000
TOTAL	12,000	4,014	16,014
NET INCOME/ (EXPENDITURE) BEFORE GAINS ON INVESTMENTS	(11,933)	40,436	28,503
Net gains on investments	-	(8,724)	(8,724)
NET INCOME/NET MOVEMENT IN FUNDS	(11,933)	31,712	19,779
<i>Reconciliation of funds:</i>			
<i>Funds at 1 October 2019</i>	<i>71,781</i>	<i>254,321</i>	<i>326,102</i>
TOTAL FUNDS AT 30 September 2020	59,848	286,033	345,881