
THE SPEAKER'S ART FUND

CHARITY NUMBER: 1105968

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

THE SPEAKER'S ART FUND

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 4
Auditor'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 2018

Trustees	Rt Hon John Bercow MP, Speaker of the House of Commons David Natzler, Clerk of the House of Commons Myfanwy Barrett, Managing Director of Corporate Services, House of Commons
Charity Registered Number	1105968
Principal Office	House of Commons 7 Millbank London SW1A 0AA
Secretary	Elaine Thain
Independent Examiner	Murtaza Jessa FCA Haysmacintyre LLP Chartered Accountants 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds TSB Bank plc 25 Gresham Street London EC2V 7HN Santander UK Bank plc Bridle Road Bootle Merseyside G1R 0AA

THE SPEAKER'S ART FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Trustees submit their annual report and the financial statements of the Speaker's Art Fund (the charity) for the year ended 30 September 2018. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of Accounting and Reporting by Charities: The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015).

Structure, Governance and Management

a. Constitution

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

b. Method of appointment or election of Trustees

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

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

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

c. Organisational Structure and Decision Making

The charity has a board of trustees that meet regularly. Day-to-day operations are carried out by the Secretary of the Trust, Elaine Thain and House of Commons administrative staff.

Objectives and Activities

a. Policies and Objectives

The principal objectives of the charity are:

- to advance the education of the public in its knowledge and understanding of the system of Government, and of the constitutional and political history of the United Kingdom through the collection and displays of works of art and other related activities; and
- the advancement of religion in the area surrounding the Palace of Westminster, in particular but not exclusively by providing for the repair and upkeep of St Margaret's Church and by providing and maintaining furniture and fittings which contribute to the work and witness of the church.

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

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The Trustees also confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when making those purchases, contributions and commissions

THE SPEAKER'S ART FUND

set out in the review of activities and also on reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

b. Activities for Achieving Objectives

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

Achievements and Performance

a. Review of Activities

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

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

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

The charity does not fundraise with members of the public.

Financial Review

a. Reserves Policy

The Fund retains a general reserve to provide sufficient resources to enable the charity to continue to fund its activities. The surplus or deficit on the Funds activities are credited to the general reserve each year and the Trustees continue to keep the level under review. The current balance of £719,842 is considered necessary to provide adequate resources for future schemes approved by the charity (see Note 13) and funding the purchase of potentially expensive art acquisitions as and when they come onto the market.

b. Financial Position

Net income before investment gains for the year ended 30 September 2018 was £3,711.

Review of long-term finances

Trustees undertook a review of the long-term financial plan during 2017/18 to consider significantly lower fund balances anticipated in future years (due to the payment of £400,000 for the Vote 100 project and lower forecast income level both from sales and investment). Current forecast balance at 30 September 2019 is £278,000 (£200,000 investments & £78,000 cash).

It was agreed that going forward, Trustees would need to ensure that future grants are approved at a sustainable level. Immediate action has been taken to reassess the investment strategy with funds being transferred to a lower risk portfolio.

Future Developments

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

THE SPEAKER'S ART FUND

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).

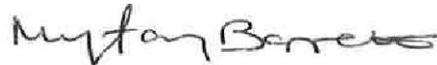
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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 Barrett - Trustee



Date:

16-5-19

THE SPEAKER'S ART FUND

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

I report to the Trustees on my examination of the accounts of the Speaker's Art Fund for the year ended 30 September 2018 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

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

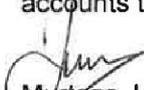
I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

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


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

Date: 16.5.2019.

THE SPEAKER'S ART FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2018

		Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
	Note				
INCOME FROM:					
Other trading activities	2	-	26,597	26,597	27,651
Investments	3	154	10,897	11,051	12,561
TOTAL		154	37,494	37,648	40,212
EXPENDITURE ON:					
	4				
Raising funds		-	6,572	6,572	7,115
Charitable activities	5	-	27,365	27,365	93,287
TOTAL		-	33,937	33,937	100,402
NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS		154	3,557	3,711	(60,190)
Net gains on investments		-	10,537	10,537	24,293
NET INCOME/NET MOVEMENT IN FUNDS		154	14,094	14,248	(35,897)
Reconciliation of funds					
<i>Funds at 1 October 2017</i>		71,425	634,169	705,594	741,491
TOTAL FUNDS AT 30 September 2018		71,579	648,263	719,842	705,594

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

THE SPEAKER'S ART FUND

**BALANCE SHEET
AS AT 30 September 2018**

	Note	2018		Restated 2017	
		£	£	£	£
FIXED ASSETS					
Investments	8		528,219		514,610
CURRENT ASSETS					
Debtors	9	11,000		-	
Cash at bank		186,983		205,254	
		<u>197,983</u>		<u>205,254</u>	
Creditors - amounts falling due within one year	10	(6,360)		(14,270)	
NET CURRENT ASSETS			<u>191,623</u>		<u>190,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>719,842</u>		<u>705,594</u>
 CHARITY FUNDS					
Restricted funds	11		71,579		71,425
Unrestricted funds	12		648,263		634,169
TOTAL FUNDS			<u>719,842</u>		<u>705,594</u>

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

M Barrett – Trustee

Murray Barrett

Date:

16-5-19

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

THE SPEAKER'S ART FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 September 2018

1. Accounting policies

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

a. Basis of Accounting

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

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

b. Preparation of the accounts on a going concern basis

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

c. Investments

Investments are stated at fair value less impairment.

d. Funds

The different funds are defined as follows:

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

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

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

e. Income recognition

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

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

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 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

	2018	2017
	£	£
House of Commons Retail Services	22,903	22,771
Commission from Christmas card sales	3,669	4,855
Sales	25	25
Total	26,597	27,651

3. INVESTMENT INCOME

	2018	2017
	£	£
Income from listed investments	10,663	12,137
Bank Interest	388	424
Total	11,051	12,561

4. ANALYSIS OF EXPENDITURE - 2018

	Direct costs	Investment	2018	2017
	£	Management	£	£
		costs		
		£		
Raising funds:				
Fundraising	-	196	196	768
Investment management costs	-	5,536	5,536	6,347
Charitable Activities:				
Purchases of art works (note 5)	24,965	-	24,965	89,687
Governance costs (note 6)	3,240	-	3,240	3,600
Total	28,205	5,732	33,937	100,402

THE SPEAKER'S ART FUND

ANALYSIS OF EXPENDITURE -2017

	Direct costs £	Investment Management costs £	2017 £
Cost of generating funds	-	768	768
Investment management costs	-	6,347	6,347
Charitable Activities	89,687	-	89,687
Governance	3,600	-	3,600
Total	93,287	7,115	100,402

5. CHARITABLE ACTIVITIES

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

Contribution towards the purchase of portrait of Lucy Baldwin	£11,250
Contribution towards the 1872 Pontefract Secret Ballot project-Wakefield Museums	£13,715

6. GOVERNANCE COSTS

	2018 £	2017 £
Independent examiner's fee	3,240	3,600
	3,240	3,600

7. TRUSTEE EXPENSES

During the year, no Trustees received any remuneration (2017 – nil)

During the year, no Trustees received any reimbursement of expenses (2017 – nil)

THE SPEAKER'S ART FUND

8. FIXED ASSET INVESTMENTS

	Total £
Fair value	
As at 1 October 2017	514,610
Additions	3,072
Disposals	-
Net gains	10,537
At 30 September 2018	<u>528,219</u>

Asset Classes and Values at 30 September 2018

SWIP FM IPS Growth	268,054
SWIP FM IPS Income	260,165
	<u>528,219</u>

9. DEBTORS

	2018 £	2017 £
Sundry debtors - HoC Retail Services	11,000	-
	<u>11,000</u>	<u>-</u>

THE SPEAKER'S ART FUND

10. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Sundry creditors - Hoc Retail Services ¹	-	10,310
Accruals	6,360	3,960
	6,360	14,270

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:

	2018 £	2017 £
Balance at 1 October	71,425	71,289
Movement in fund	154	136
Balance at 30 September	71,579	71,425

12. STATEMENT OF FUNDS - 2018

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

STATEMENT OF FUNDS - 2017

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds	71,289	136	-	-	71,425
Unrestricted funds	670,202	40,076	100,402	24,293	634,169
Total funds	741,491	40,212	100,402	24,293	705,594

THE SPEAKER'S ART FUND

13. CHARITABLE COMMITMENTS

The charity has the following outstanding commitments:

Vote 100 exhibition marking the centenary of the Representation of the People Act 1918 <i>(expenditure is expected to be incurred 2018/19)</i>	£438,309
Educational project to commemorate Harold Wilson, 'With thanks to Harold' <i>(Expenditure to be incurred 2018/19)</i>	£10,000
Vital Voters Partnership between Parliament's Participation team and People's History Museum (expenses to be incurred from 2018/19 – 2021/22)	£90,000

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2018

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2017

	Unrestricted Funds	Restricted Funds	Total
Fund balances at 30 September 2017 are represented by:	£	£	£
Investments	514,610	-	514,610
Current assets	133,829	71,425	205,254
Creditors	(14,270)	-	(14,270)
	634,169	71,425	705,594

THE SPEAKER'S ART FUND

15. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value	528,219	514,610
Financial assets measured at amortised cost	11,000	-

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include sundry debtors.

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £
INCOME FROM:			
Other trading activities	-	27,651	27,651
Investments	136	12,425	12,561
TOTAL	136	40,076	40,212
EXPENDITURE ON:			
Raising funds	-	7,115	7,115
Charitable activities	-	93,287	93,287
TOTAL	-	100,402	100,402
NET INCOME/ (EXPENDITURE) BEFORE GAINS ON INVESTMENTS	136	(60,326)	(60,190)
Net gains on investments	-	24,293	24,293
NET INCOME/NET MOVEMENT IN FUNDS	136	(36,033)	(35,897)
<i>Reconciliation of funds:</i>			
<i>Funds at 1 October 2016</i>	<i>71,289</i>	<i>670,202</i>	<i>741,491</i>
TOTAL FUNDS AT 30 September 2017	71,425	634,169	705,594

