

ARTISTS' BENEVOLENT FUND
(The Society for the Management and Distribution of the
Artists' Fund – Benevolent Fund)
Financial Statements
Year Ended 31 October 2018

Charity registration number: 270585

Artists' Benevolent Fund

Financial Statements

Year Ended 31 October 2018

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Artists' Benevolent Fund

Charity Reference and Administrative Details

Year Ended 31 October 2018

**Charity registration number as the Society for
the Management and Distribution of the Artists'
Fund – Benevolent Fund
Trustees**

270585

L Gee (Chair)
T Jackson OBE
R Bagley BA FSA(SCOT) FIRPM (resigned 22
November 2018)
B Hare Duke
M Bowen (resigned 10 December 2018)
M Collins (appointed 7 June 2018)

Principal and Registered Office

31 Freston Gardens
Barnet
Herts
EN4 9LX

Independent Examiner

Peter Wallyn
Thornton Springer LLP
Chartered Accountants
67 Westow Street
Upper Norwood
London
SE19 3RW

Bankers

Santander UK Plc
CAF Bank Ltd

Artists' Benevolent Fund

Trustees' Annual Report

Year Ended 31 October 2018

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 October 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The governing document of the charity is the Royal Charter of 2 August 1827, supplemental charters and byelaws as amended 22 June 1993 and 11 April 2000.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, 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 UK and Republic of Ireland, (SORP FRS 102).

Trustees of the charity

The Trustees who have served during the year and since the year end were as follows:

L Gee

T Jackson OBE

R Bagley BA FSA(SCOT) FIRPM (resigned 22 November 2018)

B Hare Duke

M Bowen (resigned 10 December 2018)

M Collins (appointed 7 June 2018)

Objectives and activities

The charity's principal activity is the provision of charitable funds in accordance with its objectives. The Trustees' policy is to continue the provision of grants to artists in need including the remaining beneficiaries of the old annuity fund.

Public benefit statement

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. During the year the charity continued to work for the good of society through continuing and new grants to support artists in need. The public benefit of the charity's activities are outlined under "Objectives and activities" and in "Achievements and performance" below.

Strategic Report

Achievements and performance

During the year to 31 October 2018 the charity has continued to support needy artists and the remaining beneficiaries of the annuity fund. The charity has re-focused its grant making towards supporting the development of outstanding artists who are in need, after they have completed their undergraduate courses. The first graduate was supported in conjunction with, and managed by, Manchester Metropolitan University enabling them to develop their artistic practice in order to provide a sustainable future career. Two new graduates from the Cardiff School of Art and Design have also been supported and this programme continues to be developed. The charity is committed to serving artists in need through a number of activities, all reflected in the Statement of Financial Activities.

Financial review (including reserves policy)

The Trustees are entitled to exercise discretion over both the capital and income of the fund. No specific restrictions are imposed on Trustees by the Trust Deed in exercise of their powers of investment. It is the policy of the Trustees to invest the capital of the charity to provide sufficient income to fund its activities. The Trustees invest in appropriate investment funds such that these objectives can be met. The Trustees review the performance of the investment portfolio at every Trustees' meeting and they are satisfied with the investment growth and return generated for the year.

Artists' Benevolent Fund

Trustees' Annual Report

Year Ended 31 October 2018

Reserves are maintained by the charity to meet fluctuations in investment income, providing funds to cover grant commitments. The current investment policy remains unchanged, holding funds in interest bearing accounts and in charitable and other investments.

The Balance Sheet shows net assets available to the charity of £857,597 (2017: £871,032). Free unrestricted reserves amounted to £857,097 (2017: £870,532). The Trustees consider this level of reserves to be appropriate in the context of "Plans for future periods" below.

The Trustees will continue their policy of safely investing the capital of the charity to ensure that payments to existing and future beneficiaries can be maintained. The administrative costs of the charity are under constant review. The Trustees intend to continue distributing grants which may exceed income each year, subject to annual reviews.

Plans for future periods

Discussions are continuing to develop further links with more universities in order to support a grant programme at these institutions, in addition to the ongoing work with widows and other artists in need.

Structure, governance and management

There are six Trustees of whom two resigned after 31 October 2018, R Bagley on 22 November 2018 and M Bowen on 10 December 2018. M Collins was appointed a trustee on 7 June 2018.

The Trustees give freely of their time. The charity has no employees.

Trustees are appointed for a three year term and may serve for further terms. The Trustees may appoint a further Trustee who is willing to serve, either to fill a vacancy or as an additional Board member. The Trustees normally meet three times each year.

Inductions for new Trustees include meetings with other Trustees, review of minutes and the governance manual and discussions with the Chair of Trustees. All Trustees receive training in Board responsibilities, legal framework, vision, risk and the strategic plan.

Third party indemnity provisions

The charity maintains a Trustees' Indemnity Insurance Policy arranged by Aon UK Limited. This covers the Trustees against certain liability claims up to £100,000 in aggregate per annum at a cost of £166 in the year to 31 October 2018.

Trustees' responsibilities

Charity law requires the Trustees to prepare statements of account for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources 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 of the Charities' SORP FRS 102 2015;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the charity's transactions and to disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure the financial statements comply with requirements of the Charities' Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Artists' Benevolent Fund

Trustees' Annual Report

Year Ended 31 October 2018

On behalf of the board

Signature

Name, Trustee

Date



Lisa Gree

30 May 2019

Artists' Benevolent Fund

Independent Examiner's Report

Year Ended 31 October 2018

Independent Examiner's Report to the Trustees of the Artists' Benevolent Fund

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st October 2018 which are set out on pages 8 to 18.

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;
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)].

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.



PL Wallyn FCA

Institute of Chartered Accountants in England and Wales

Thornton Springer LLP,
Chartered Accountants,
67 Westow Street,
Upper Norwood,
London.
SE19 3RW

Date: - 6 JUN 2019

Artists' Benevolent Fund

Statement of Financial Activities

Year Ended 31 October 2018

		2018		2017
	Note	Unrestricted funds £	Restricted funds £	Total £
Income and endowments from:				
Donations and legacies	2	6,691	-	6,691
Investments	3	27,203	15	27,218
Total income and endowments		33,894	15	33,909
Expenditure on:				
Raising funds		4,401	-	4,401
Charitable activities	4	41,852	15	41,867
Total expenditure		46,253	15	46,268
Net gains/(losses) on investments	11	(1,076)	-	(1,076)
Net Income/(expenditure)		(13,435)	-	(13,435)
Net movement in funds		(13,435)	-	(13,435)
Reconciliation of funds:				
Total funds brought forward	14	870,532	500	871,032
Total funds carried forward	14	857,097	500	857,597

All income and expenditure derive from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

Artists' Benevolent Fund

Balance Sheet

Year Ended 31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	11	822,419	823,495
		<u>822,419</u>	<u>823,495</u>
Current assets			
Debtors	12	166	55,280
Cash at bank and in hand		82,797	23,931
		<u>82,963</u>	<u>79,211</u>
Creditors: amounts falling due within one year	13	(47,785)	(31,674)
Net current assets		<u>35,178</u>	<u>47,537</u>
Total assets less current liabilities		<u>857,597</u>	<u>871,032</u>
Net assets		<u>857,597</u>	<u>871,032</u>
Charity Funds			
Restricted funds	14	500	500
Unrestricted funds	14	857,097	870,532
Total charity funds	14	<u>857,597</u>	<u>871,032</u>

The financial statements were approved and authorised for issue by the Board on

Signed on behalf of the board of trustees

Signature

Name, Trustee

Date

The notes on pages 11 to 18 form part of these financial statements.

Artists' Benevolent Fund**Statement of Cash Flows****Year Ended 31 October 2018**

	Note	2018 £	2017 £
Cash flow from operating activities	16	31,648	(23,494)
Net cash flow from operating activities		<u>31,648</u>	<u>(23,494)</u>
Cash flow from investing activities			
Dividends and interest received		27,218	27,924
Net cash flow from investing activities		<u>27,218</u>	<u>27,924</u>
Net increase / (decrease) in cash and cash equivalents		<u>58,866</u>	<u>4,430</u>
Cash and cash equivalents at 1 November 2017		23,931	19,501
Cash and cash equivalents at 31 October 2018		<u>82,797</u>	<u>23,931</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		82,797	23,931
Cash and cash equivalents at 31 October 2018		<u>82,797</u>	<u>23,931</u>

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Artists' Benevolent Fund is an unincorporated charity registered with the Charity Commission in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are the financial support of needy artists.

The charity constitutes a public benefit entity as defined by FRS 102. 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include investments at market value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds, which include designated but not committed funds, are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time of the Trustees in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised when receivable and dividend income is recognised as the charity's right to receive payment is established.

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes advertising and website costs;
- Expenditure on charitable activities includes grants, administrative, support and governance costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs included in charitable activities include all costs that assist the work of the charity but do not directly represent charitable activities and include office costs, grant making costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Costs of raising funds

Fund-raising costs are those incurred in seeking voluntary donations and do not include the costs of disseminating information in support of the charitable activities.

(g) Investments

Investments are recognised initially at cost which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. The investments of the charity are detailed in note 11.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

(j) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010.

(k) Going concern

The financial statements have been prepared on a going concern basis as the Trustees consider that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of approval of these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(l) Judgements and key sources of estimation uncertainty

There are no judgements or estimates that have been made in the process of applying the above accounting policies.

2 Income from donations and legacies

	2018 £	2017 £
Gifts	6,691	59,475
	<u>6,691</u>	<u>59,475</u>

Income from donations and legacies was £6,691 (2017 - £59,475) of which £6,691 (2017 - £59,475) was attributable to unrestricted funds.

3 Income from investments

	2018 £	2017 £
Dividends - equities	24,263	24,251
Interest - fixed interest securities	2,953	3,672
Interest - deposits	2	1
	<u>27,218</u>	<u>27,924</u>

Income from investments was £27,218 (2017 - £27,924) of which £15 (2017 - £15) was attributable to restricted and £27,203 (2017 - £27,909) was attributable to unrestricted funds.

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

4 Analysis of expenditure on charitable activities

	Grant funding of activities		Grant making and support costs		Total	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Support of widows	2,325	3,960	596	750	2,921	4,710
Support of artists in training	31,000	39,000	7,946	7,388	38,946	46,388
	33,325	42,960	8,542	8,138	41,867	51,098

£41,852 (2017 - £51,083) of the above costs were attributable to unrestricted funds.

5 Allocation of support costs

Charitable activities

	Support of widows		Support of artists in training		Total	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Governance	523	661	6,974	6,507	7,497	7,168
Accountancy & Finance	73	89	972	881	1,045	970
Total	596	750	7,946	7,388	8,542	8,138

6 Governance costs

	2018 £	2017 £
Trustee travel expenses	1,058	670
Independent Examiner's remuneration	730	743
Support and grant making costs	5,042	5,003
Meeting costs	466	586
Trustee Indemnity Insurance & Other	201	166
	7,497	7,168

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

7 Analysis of grants

	Grants to individuals		Support costs		Total	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Grants to widows	2,325	3,960	596	750	2,921	4,710
Grants to artists in training	31,000	39,000	7,946	7,388	38,946	46,388
	33,325	42,960	8,542	8,138	41,867	51,098

All grants were to individuals.

8 Independent Examiner's remuneration

	2018 £	2017 £
Fees payable to the charity's independent examiner for the examination of the charity's annual accounts	730	743

9 Trustees' and key management personnel remuneration and expenses

The Trustees received no remuneration during the year (2017: £Nil).

The reimbursement of travel expenses to 6 Trustees (2017: 4) was £1,058 (2017: £670)

10 Staff costs and employee benefits

There were no employees in the year.

11 Fixed asset investments

	Total £
Cost or valuation	
At 1 November 2017	823,495
Revaluation	(1,076)
At 31 October 2018	822,419
Carrying amount:	
At 31 October 2017	823,495
At 31 October 2018	822,419

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

12 Debtors

	2018 £	2017 £
Prepayments and accrued income	166	166
Legacy receivable	-	55,114
	<u>166</u>	<u>55,280</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals for grants payable	45,660	29,500
Accruals and deferred income	2,125	2,174
	<u>47,785</u>	<u>31,674</u>

14 Fund reconciliation

Unrestricted funds

	Balance at 1 November 2017 £	Income £	Expenditure £	Gains/(Losses) £	Balance at 31 October 2018 £
Unrestricted	870,532	33,894	46,253	(1,076)	857,097
	<u>870,532</u>	<u>33,894</u>	<u>46,253</u>	<u>(1,076)</u>	<u>857,097</u>

Restricted funds

	Balance at 1 November 2017 £	Income £	Expenditure £	Gains/(Losses) £	Balance at 31 October 2018 £
Restricted – Miss Pye	500	15	15	-	500
	<u>500</u>	<u>15</u>	<u>15</u>	<u>-</u>	<u>500</u>

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

Fund descriptions

a) Unrestricted funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

b) Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The fund represents a bequest by Miss Pye, the income from which is used to provide a Christmas gift to artists and widows.

15 Analysis of net assets between funds

	Unrestrict ed funds £	Restricted funds £	Total £
Investments	821,919	500	822,419
Cash and current investments	82,797	-	82,797
Other current assets /(liabilities)	(47,619)	-	(47,619)
Total	857,097	500	857,597

16 Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for year	(13,435)	74,997
Dividends and interest received	(27,218)	(27,924)
Net gains/(losses) on investments	1,076	(39,671)
(Increase)/decrease in debtors	55,114	(55,114)
Increase / (decrease) in creditors	16,111	24,218
Net cash flow from operating activities	31,648	(23,494)

Artists' Benevolent Fund

Notes to the Financial Statements

Year Ended 31 October 2018

17 Related party transactions

There are no related party transactions during the year (2017: £ nil).

18 Statement of financial activities 31 October 2017

	2017		2016
	Unrestricted funds £	Restricted funds £	Total £
Income and endowments from:			
Donations and legacies	59,475	-	59,475
Investments	27,909	15	27,924
Total income and endowments	87,384	15	87,399
Expenditure on:			
Raising funds	975	-	975
Charitable activities	51,083	15	51,098
Total expenditure	52,058	15	52,073
Net gains on investments	39,671	-	39,671
Net Income	74,997	-	74,997
Net movement in funds	74,997	-	74,997
Reconciliation of funds:			
Total funds brought forward	795,535	500	796,035
Total funds carried forward	870,532	500	871,032