

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2017
for
ARTISTS GENERAL BENEVOLENT INSTITUTION**

Tudor John LLP
Chartered Accountants
and Statutory Auditors
Nightingale House
46-48 East Street
Epsom
Surrey
KT17 1HQ

ARTISTS GENERAL BENEVOLENT INSTITUTION

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for the year ended 5 April 2017**

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ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2017

The Trustees present their report with the financial statements of the charity for the year ended 5 April 2017. The Trustees have adopted the provisions of 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 (FRS102) (effective 1 January 2015).

OBJECTIVES and ACTIVITIES

Objectives and Aims

The objective of the AGBI is to provide a grant giving programme which assists professional artists, whose work has been known to the public for some time who, due to accident, illness or old age are unable to work and earn, and to also assist their widow/widowers and dependents. The overall charitable aim of the AGBI is the prevention of poverty and to alleviate stress in the professional artists who fulfil the criteria and to seek additional finance to further these aims.

Statement of Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. The Trustees consider the activities of the AGBI have provided public benefit through the prevention of poverty, and the support and guidance that it gives to the applicants whom it supports. The activities of the AGBI are exclusively charitable for the benefit of our applicants in need.

Grantmaking Policy

The AGBI accepts applications for charitable grants from professional artists (painters, sculptors and their widows/widowers and dependent children) living in England, Wales and Northern Ireland, who due to accident, illness or old age are unable to work and earn. Applications are initially made by post or email with a full CV listing all training, exhibitions in professional galleries and teaching experience (if any) at GCSE, A-level and above.

All new applicants are visited by the Secretary to ascertain the veracity of the application and collect original works, sketchbooks etc together with letters from two referees and a letter from the doctor or consultant (if applicable) for examination by the Council at their next meeting when their case will be considered.

Grants are awarded by the Council for a period of one year, after which, if appropriate, the applicant is invited to submit a further application and, if required the funding is continued for a further year at the sole discretion of the Council. Grants can only be continued if the need for assistance persists and are automatically stopped should an applicant die and no widows/widowers or dependent children remain.

Grants are never awarded to fund any legal difficulties or, in the case of career difficulties, loss of earnings due to poor sales or expenses associated with exhibitions.

The AGBI has a restricted fund specifically to assist the orphans of professional artists. These funds are now called the AGBI Children's Fund. The revised bye-laws (2016) state the term orphan as a child no more than the age of 25 who remains in full-time education who has lost the support of one or both parents through death, absence or disability.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

Number of applicants and grants

During the financial year 2016/2017 the AGBI supported 127 professional artists and their dependents in need. This is an increase on the previous year when the AGBI supported 120 artists in need.

Of the 127 applicants supported, 19 were new applicants (11 in the previous year), 80 applicants needed continuing help (84 in the previous year), and 11 distinguished artists received the AGBI Jubilee Award (9 in the previous year).

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2017

The AGBI Children's Fund (formerly the AGBI Orphan Fund) supported 17 children under the age of 25 and still in full-time education who have lost the support of one or both parents through death, absence or disability (16 in the previous year).

The amount of funding disbursed to applicants increased to £408,911 in the financial year 2016/2017 from £389,177 in the previous financial year.

To maintain these levels of support, the AGBI continues to approach new and existing contacts within the art world, artists' studio complexes and art schools throughout the country to raise awareness of the AGBI grants programme.

Fundraising Activities

Our thanks and gratitude go to all our stewards who raised £14,220 in 2016/2017.

The commitment and fundraising efforts of our stewards, who not only fundraise but identify potential applicants from within their networks, enables the AGBI to continue helping artists in need. The Council and staff wish to express their appreciation to all the stewards for their AGBI work throughout the year.

The AGBI received £10,885 in legacies and the Council is extremely grateful for these gifts. Donations in memory of relatives, friends and fellow artists provide a poignant commemoration and the Council is again incredibly grateful for this gifts.

Full details of legacies and gifts in memory can be found in our Impact Report 2016/2017 which is available on request and will be available on our website in the October 2017.

The Francis W Reckitt Arts Trust Grant

The AGBI gratefully acknowledges the grant from the Francis W Reckitt Arts Trust which have enabled beneficiaries to go away for holidays or work trips which they otherwise would not have been able to afford. This is a restricted fund and can only be used in line with the terms set out by the Trust.

FINANCIAL REVIEW

Principal Funding Sources

The AGBI relies on two principal sources of income, the voluntary income by which we mean annual subscriptions, one-off donations and the amounts raised by our stewards, and the income generated from the investment portfolios managed by Cazenove Capital Management and OLIM Investment Managers.

The AGBI's broad financial objective continues to be 'to maximise the total level of voluntary and investment income received each year, to enable the Council to maintain or increase the level and numbers of grants to the applicants'.

During the financial year to the 5th of April 2017, the AGBI's incoming resources (not including legacies) totalled £579,813 compared to £543,323 in the previous year.

Legacies for the year to the 5th April 2017 totalled £10,885 compared with £87,789 in the previous year.

Annual subscriptions, donations and amounts collected by stewards totalled £64,024 compared to £70,125 in the previous year.

The level of grants paid and associated costs increased from £581,165 to £648,002.

Result for Period and Funds Carried Forward

This resulted in a shortfall of £85,340 prior to the unrealised gains on the investments which totalled £1,800,403.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2017

The funds carried forward to the financial year 2017/2018 amounted to £14,917,743.

Investment Policy

Members of the Investment Committee receive quarterly Investment Reports from both Cazenove Capital Management and OLIM Investment Managers. The Investment Committee meets annually to review the performance of both investment managers and to ensure that the income yields from the portfolios are available to maintain the AGBI grants programme and operational costs of the charity.

The Investment Committee's objectives in respect of investments is to secure a total return on the charity's investments that enables both current demands from applicants to be appropriately satisfied, together with future demands in terms of long term growth of the charity's assets.

The AGBI is a long term investor and the Investment Committee agrees that the best policy is to continue holding a mixed portfolio of predominantly UK equities, bonds, cash and other investments to provide a steady income to cover the costs of the grant making programme and potential investment gains.

Investment Performance

In this financial year 2016/2017, a total income return on investments managed by both investment managers after fees was £459,546 or 3.2%.

Cazenove Capital Management gave an income return after fees of £327,096 or 2.8% and OLIM Investment Managers gave an income return after fees of £132,450 or 4.3%.

The AGBI Investment Committee continues to view this overall performance as a satisfactory return on the investments in light of lower yields in today's financial climate. The Investment Committee monitors the performance of the investment managers on a quarterly basis via the investment reports it receives from the investment managers.

On an annual basis, the Investment Committee meets the managers face-to-face and reviews the performance of the investment managers.

A formal review of the investment managers will be considered in 2017/2018.

Reserves Policy

As mentioned earlier in this report, the charity's assets are jointly invested with Cazenove Capital Management and OLIM Investment Managers to generate income whilst preserving the funds at a level sufficient to cover the future obligations of the AGBI.

As at the 5th April 2017, the total funds amounted to £14,917,743 all of which is unrestricted apart from the AGBI Children's Fund which totalled £1,678,564 and the grant from The Francis W Reckitt Arts Trust of £2,000.

With the on-going geo-political issues and global economies behaving and reacting to stimuli not experienced before, the AGBI considers holding this level of investment appropriate as we expect to help increasing numbers of applicants in the coming years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Artists' General Benevolent Institution (AGBI) is a registered charity, number 212667. The AGBI was founded in 1814 and incorporated by Royal Charter in 1842. The charity's governing document comprises the bye-laws which were revised in 2016 and agreed at the Council meeting on the 19th of January 2016. The Royal Charter was not amended.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2017

Governance and Management

The AGBI trustees during the year to 5th of April 2017 are listed in the Reference and Administrative Details section. The revised bye-laws (2016) state that the AGBI has seven trustees and they will be the three honorary offices and four members of the Council. The Council consists of the trustees and the Applications Committee. At each Annual General Meeting all of the trustees retire and are eligible for re-election. The trustees are supported and guided by the Applications Committee and the Investment Committee.

At the January 2017 Council Meeting, it was agreed that the President, Honorary Treasurer and Honorary Secretary (collectively known as the Honorary Officers), should adopt terms of office and serve for four years at which point they can opt to serve an additional two years if they and the Council are in agreement. This policy will assist with the succession planning of the AGBI Council.

The Council meet eight times a year to consider new cases and review existing cases and to agree the broad strategy and areas of activity for the charity. The Investment Committee monitors the investments quarterly with the management reports and meets annually to discuss investment performance, reserves and risk management.

The day to day administration of grants and the processing of applications prior to consideration by the Council is delegated to the Secretary.

Casual vacancies among the trustees may be filled by the trustees from among the other members of Council. Trustees have historically been individuals who have connections with the Royal Academy and other major art societies and have an interest in promoting the charitable objectives of the AGBI.

Newly appointed trustees receive an induction pack containing details of the structure of the charity, a copy of the bye-laws (2016) and the Charity Commissions publication 'The Essential Trustees, what you need to know, what you need to do (CC3)' and are supported by the Council and the Secretary. New trustees are given a copy of the charity's 'Conflict of Interest Policy' which was also adopted in 2016. Newly appointed council members also receive a more concise induction pack containing the main information needed to perform their role.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

212667

Principal Address

Burlington House
Piccadilly
London
W1J 0BB

Telephone

020 7734 1193

Royal Patron

HRH The Prince of Wales

President

Nicola Hicks MBE - elected 25th January 2017
Ronald Maddox Hon PRI Hon RWS Hon RBA - retired 25th January 2017

Honorary President

Christopher Le Brun President of the Royal Academy

Honorary Treasurer

Martin Bailey Dip larch FRIBA - retired 5th April 2016

ARTISTS GENERAL BENEVOLENT INSTITUTION

Report of the Trustees for the year ended 5 April 2017

Professor Gerald Libby FRCP FRCPsych – elected 6th April 2016 – 5th April 2017
Marcelo Scenna CFA – appointed 6th April 2017

Honorary Secretary

Nicola Hicks MBE - stood down 25th January 2017
Simon Burton - elected 25th January 2017

Trustees

Eliza Bonham-Carter
Simon Burton
Richard Gault
Charlotte Halliday RWS NEAC
Nicola Hicks MBE
Professor Gerald Libby FCRP FRCPsych
Ronald Maddox Hon PRI Hon RWS Hon RBA

Applications Committee

Stephen Bartlett DesRCA
Martin Bailey DiplArch FRIBA
Isabel Bingley
Brad Faine
Christian Furr
Jonathan Horwich
Ken Howard OBE RA
Ronald Maddox Hon PRI Hon RWS Hon RBA
Professor Brendan Neiland
William Packer
Veronica Ricks – elected March 2017
Susie Thomson

Investment Committee

Martin Bailey DiplArch FRIBA
Nicola Hicks MBE
David Hicks
Damon de Laszlo DL
Professor Gerald Libby FRCP FRCPsych
Marcelo Scenna CFA – appointed 6 April 2017

Vice-Presidents

Gus Cummins RA
Bernard Dunstan RA
David Gentleman RDI
Phillip Hicks
William Pye
Jacqueline Rizvi RBA RWS NEAC

Honorary Medical Advisor

Professor Gerald Libby FRCP FRCPsych

Secretary and CEO

Brad Feltham

Assistant to CEO

Barbara Galloway

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Report of the Trustees
for the year ended 5 April 2017**

Financial Controller

Jacki Gosling

Auditors

Tudor John LLP
Chartered Accountants
And Statutory Auditors
Nightingale House
46 – 48 East Street
Epsom
Surrey
KT17 1HQ

Bankers

Coutts & Co
Commercial Banking
440 Strand
London
WC2R 0QS

Solicitors

Thomas Cooper
Ibex House
42 -47 Minories
London
EC3N 1HA

Investment Managers

Cazenove Capital Management Ltd
12 Moorgate
London
EC2R 6DA

OLIM Investment Managers Ltd
15 Berkeley Street
London
W1J 8DY

Insurers

Hiscox Insurance Company Limited
1 Great St. Helens
London
EC3A 6HX

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Report of the Trustees
for the year ended 5 April 2017**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Nicola Hicks - President

**Report of the Independent Auditors to the Trustees of
ARTISTS GENERAL BENEVOLENT INSTITUTION**

We have audited the financial statements of Artists General Benevolent Institution for the year ended 5 April 2017 on pages ten to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2017 and of its incoming resources and application of resources 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 Charities Act 2011.

**Report of the Independent Auditors to the Trustees of
ARTISTS GENERAL BENEVOLENT INSTITUTION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Tudor John LLP
Chartered Accountants
and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Nightingale House
46-48 East Street
Epsom
Surrey
KT17 1HQ

Date:

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Statement of Financial Activities
for the year ended 5 April 2017**

		Unrestricted fund	Restricted funds	Total	2017 funds	Total	2016 funds
	Not es	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM							
Donations and legacies	3	74,909	-	74,909		157,914	
Charitable activities							
Grants	6	-	2,000	2,000		-	
Other trading activities	4	26,658	-	26,658		8,044	
Investment income	5	<u>436,478</u>	<u>50,653</u>	<u>487,131</u>		<u>465,154</u>	
Total		538,045	52,653	590,698		631,112	
 EXPENDITURE ON							
Raising funds	7	24,787	3,249	28,036		31,318	
Charitable activities							
Grants paid and associated costs	8	<u>600,580</u>	<u>47,422</u>	<u>648,002</u>		<u>581,165</u>	
Total		625,367	50,671	676,038		612,483	
Net gains/(losses) on investments		<u>1,567,174</u>	<u>233,229</u>	<u>1,800,403</u>		<u>(730,758)</u>	
NET INCOME/(EXPENDITURE)		1,479,852	235,211	1,715,063		(712,129)	
 RECONCILIATION OF FUNDS							
Total funds brought forward		11,759,327	1,443,353	13,202,680		13,914,809	
TOTAL FUNDS CARRIED FORWARD		<u><u>13,239,179</u></u>	<u><u>1,678,564</u></u>	<u><u>14,917,743</u></u>		<u><u>13,202,680</u></u>	

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Balance Sheet
At 5 April 2017**

		Unrestricted fund	Restricted funds	Total 2017 funds £	Total 2016 funds £
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	15	6,569	-	6,569	5,941
Investments	16	<u>12,918,470</u>	<u>1,656,518</u>	<u>14,574,988</u>	<u>12,794,798</u>
		12,925,039	1,656,518	14,581,557	12,800,739
CURRENT ASSETS					
Stocks	17	1,561	-	1,561	1,561
Debtors	18	73,909	3,789	77,698	94,689
Cash at bank and in hand		<u>252,092</u>	<u>18,257</u>	<u>270,349</u>	<u>319,772</u>
		327,562	22,046	349,608	416,022
CREDITORS					
Amounts falling due within one year	19	(13,422)	-	(13,422)	(14,081)
		<u>314,140</u>	<u>22,046</u>	<u>336,186</u>	<u>401,941</u>
NET CURRENT ASSETS					
		<u>314,140</u>	<u>22,046</u>	<u>336,186</u>	<u>401,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>13,239,179</u>	<u>1,678,564</u>	<u>14,917,743</u>	<u>13,202,680</u>
NET ASSETS					
		<u>13,239,179</u>	<u>1,678,564</u>	<u>14,917,743</u>	<u>13,202,680</u>
FUNDS					
Unrestricted funds	21			13,239,179	11,759,327
Restricted funds				<u>1,678,564</u>	<u>1,443,353</u>
TOTAL FUNDS					
				<u>14,917,743</u>	<u>13,202,680</u>

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

.....
M Scenna CFA – Honorary Treasurer

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Cash Flow Statement
for the year ended 5 April 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(530,509)</u>	<u>(397,740)</u>
Net cash provided by (used in) operating activities		<u>(530,509)</u>	<u>(397,740)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,466)	(5,342)
Interest received		2,106	2,790
Dividends received		<u>481,446</u>	<u>441,620</u>
Net cash provided by (used in) investing activities		<u>481,086</u>	<u>439,068</u>
Change in cash and cash equivalents in the reporting period		(49,423)	41,328
Cash and cash equivalents at the beginning of the reporting period		<u>319,772</u>	<u>278,444</u>
Cash and cash equivalents at the end of the reporting period		<u><u>270,349</u></u>	<u><u>319,772</u></u>

The notes form part of these financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Cash Flow Statement
for the year ended 5 April 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,715,063	(712,129)
Adjustments for:		
Depreciation charges	1,838	1,727
(Gain)/losses on investments	(88,940)	94,225
Interest received	(2,106)	(2,790)
Dividends received	(481,446)	(441,620)
Charges paid from investments	20,213	18,147
Unrealised gain/loss on investments	(1,711,463)	636,533
Decrease in debtors	16,991	3,484
(Decrease)/increase in creditors	<u>(659)</u>	<u>4,683</u>
Net cash provided by (used in) operating activities	<u>(530,509)</u>	<u>(397,740)</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements for the year ended 5 April 2017

1. STATUTORY INFORMATION

The Artists' General Benevolent Institution is an unincorporated charity association. The Charity is registered in England and Wales, Registered Charity number 212667.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (EFA), the and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 25% on cost

STOCKS

Stocks represent the lower of cost and net realisable value of the Bi-Centenary prints unsold as at 5th April 2017.

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can be used only for the particular restricted purposes within the object of the charity. Restricted funds represent the funds of the Artists Orphan Fund, a charity merged with the Artists General Benevolent Institution during the year ended 5th April 2015.

Further explanation of the nature of the restricted fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements - continued for the year ended 5 April 2017

2. ACCOUNTING POLICIES - continued

TRADE AND OTHER DEBTORS

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of any impairment.

Those that are receivable after more than one year or constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised costs, net of impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

FIXED ASSET INVESTMENTS

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

IRRECOVERABLE VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

3. DONATIONS AND LEGACIES

	2017	2016
	£	£
Annual subscriptions, donations and amounts collected by stewards	64,024	70,125
Legacies received	<u>10,885</u>	<u>87,789</u>
	<u>74,909</u>	<u>157,914</u>

4. OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Christmas card sales	12,588	5,056
Other event income	5,752	2,988
Royal Academy Contribution	<u>8,318</u>	<u>-</u>
	<u>26,658</u>	<u>8,044</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

5. INVESTMENT INCOME

	2017	2016
	£	£
Income from investments	481,446	441,620
Royalty and legacy income	3,579	20,744
Deposit account interest	<u>2,106</u>	<u>2,790</u>
	<u>487,131</u>	<u>465,154</u>

6. INCOME FROM CHARITABLE ACTIVITIES

Activity	2017	2016
	£	£
Grants	<u>2,000</u>	<u>-</u>

Grants received, included in the above, are as follows:

	2017	2016
	£	£
Francis Reckitt Trust	<u>2,000</u>	<u>-</u>

7. RAISING FUNDS

Raising donations and legacies

	2017	2016
	£	£
Stewards' expenses	<u>200</u>	<u>6,145</u>

Other trading activities

	2017	2016
	£	£
Purchases	3,860	3,164
Other event expenses	<u>2,076</u>	<u>-</u>
	<u>5,936</u>	<u>3,164</u>

Investment management costs

	2017	2016
	£	£
Support costs	<u>21,900</u>	<u>22,009</u>

Aggregate amounts	<u>28,036</u>	<u>31,318</u>
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ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

8. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 9) £	Support costs (See note 10) £	Totals £
Grants paid and associated costs	<u>408,911</u>	<u>239,091</u>	<u>648,002</u>

9. GRANTS PAYABLE

	2017 £	2016 £
Grants paid and associated costs	<u>408,911</u>	<u>389,177</u>

All grants were paid to individuals for both the years ended 5 April 2017 and 2016.

10. SUPPORT COSTS

	Information technology £	Human resources £	Other £	Governance costs £	Totals £
Investment management costs	21,900	-	-	-	21,900
Grants paid and associated costs	<u>-</u>	<u>146,182</u>	<u>61,033</u>	<u>31,876</u>	<u>239,091</u>
	<u>21,900</u>	<u>146,182</u>	<u>61,033</u>	<u>31,876</u>	<u>260,991</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2017 nor for the year ended 5 April 2016.

TRUSTEES' EXPENSES

Travel expenses were paid to one trustee in 2016 of £289, no such expenses were paid in 2017.

There were no other expenses paid to trustees for the year ended 5 April 2017 nor for the year ended 5 April 2016.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

12. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	133,591	129,261
Social security costs	12,053	12,451
Other pension costs	<u>5,900</u>	<u>5,700</u>
	<u>151,544</u>	<u>147,412</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Average number of employees in the year	<u>3</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	157,914	-	157,914
Other trading activities	8,044	-	8,044
Investment income	<u>410,588</u>	<u>54,566</u>	<u>465,154</u>
Total	576,546	54,566	631,112
EXPENDITURE ON			
Raising funds	28,579	2,739	31,318
Charitable activities			
Grants paid and associated costs	<u>525,980</u>	<u>55,185</u>	<u>581,165</u>
Total	554,559	57,924	612,483
Net gains/(losses) on investments	<u>(634,166)</u>	<u>(96,592)</u>	<u>(730,758)</u>
NET INCOME/(EXPENDITURE)	(612,179)	(99,950)	(712,129)
RECONCILIATION OF FUNDS			
Total funds brought forward	12,371,507	1,543,302	13,914,809
	<u>11,759,328</u>	<u>1,443,352</u>	<u>13,202,680</u>

14. AUDITORS' REMUNERATION

Auditors' remuneration for the year was £9,100 (2016: 9,840)

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

15. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 6 April 2016	12,573	5,022	17,595
Additions	<u>1,787</u>	<u>679</u>	<u>2,466</u>
At 5 April 2017	<u>14,360</u>	<u>5,701</u>	<u>20,061</u>
DEPRECIATION			
At 6 April 2016	7,656	3,998	11,654
Charge for year	<u>1,341</u>	<u>497</u>	<u>1,838</u>
At 5 April 2017	<u>8,997</u>	<u>4,495</u>	<u>13,492</u>
NET BOOK VALUE			
At 5 April 2017	<u>5,363</u>	<u>1,206</u>	<u>6,569</u>
At 5 April 2016	<u>4,917</u>	<u>1,024</u>	<u>5,941</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Donated paintings £	Total £
MARKET VALUE				
At 6 April 2016	12,041,293	730,015	23,490	12,794,798
Additions	1,270,091	1,263,728		2,533,819
Disposals	(1,263,728)	(1,270,091)		(2,533,819)
Revaluations	1,800,402			1,800,402
Management fees		<u>(20,212)</u>		<u>(20,212)</u>
At 5 April 2017	<u>13,848,058</u>	<u>703,440</u>	<u>23,490</u>	<u>14,574,988</u>
NETBOOK VALUE				
At 5 April 2017	<u>13,848,058</u>	<u>703,440</u>	<u>23,490</u>	<u>14,574,988</u>
At 5 April 2016	<u>12,041,293</u>	<u>730,015</u>	<u>23,490</u>	<u>12,794,798</u>

The charity's investments are managed by two independent firms of investment managers with no known restrictions over realisation and are held in UK stock exchange listed investments or ones valued by reference to such investments, such as unit trusts and common investment funds. All investments are held primarily for an investment return.

Included within investments are the following investments in UK securities and common investment funds with market values exceeding 5% of the portfolio value.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

16. FIXED ASSET INVESTMENTS - continued

	Market value	
	2017	2016
	£	£
Cazenove Investment Fund Management Equity Income Trust for Charities	2,310,716	2,762,573
OLIM Charity Value and Income Fund	3,052,378	2,782,360
Charities Property Fund	752,054	742,324
Vanguard FTSE All Share Index	767,979	-
Majedie UK Equity Fund	992,634	783,889
Schroder Charity equity fund	771,839	479,721
Trojan Income Fund	975,544	889,907

The valuation of the donated paintings is based on guidance of the estimated sales values from Bonhams' Auction House.

17. STOCKS

	2017	2016
	£	£
Stocks	<u>1,561</u>	<u>1,561</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other debtors	<u>77,698</u>	<u>94,689</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other creditors	<u>13,422</u>	<u>14,081</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	42,608	-
Between one and five years	<u>10,153</u>	<u>-</u>
	<u>52,761</u>	<u>-</u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Notes to the Financial Statements - continued
for the year ended 5 April 2017**

21. MOVEMENT IN FUNDS

	At 6.4.16 £	Net movement in funds £	At 5.4.17 £
Unrestricted funds			
General fund	11,759,327	1,479,852	13,239,179
Restricted funds			
AGBI - The Children's Fund	1,443,353	233,211	1,676,564
Francis Reckitt Trust	-	2,000	2,000
	<u>1,443,353</u>	<u>235,211</u>	<u>1,678,564</u>
TOTAL FUNDS	<u><u>13,202,680</u></u>	<u><u>1,715,063</u></u>	<u><u>14,917,743</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	538,045	(625,367)	1,567,174	1,479,852
Restricted funds				
AGBI - The Children's Fund	50,653	(50,671)	233,229	233,211
Francis Reckitt Trust	2,000	-	-	2,000
	<u>52,653</u>	<u>(50,671)</u>	<u>233,229</u>	<u>235,211</u>
TOTAL FUNDS	<u><u>590,698</u></u>	<u><u>(676,038)</u></u>	<u><u>1,800,403</u></u>	<u><u>1,715,063</u></u>

ARTISTS GENERAL BENEVOLENT INSTITUTION

Notes to the Financial Statements - continued for the year ended 5 April 2017

21. MOVEMENT IN FUNDS - continued

Unrestricted funds

Included within unrestricted funds are the following endowment funds which were transferred into the main funds during 2005 and 2007 in accordance with the Charities Commission Guidance. Their market value at the time of transfer was:

	£
The Ethel Wright Fund - To assist artists of British nationality and their widows	1,317
The Kate La Thangue Fund - To assist artists and their dependants	4,840
The Proby Adams Bequest - To assist artists and their dependants	1,830
The Margaret Agnes Babington Fund - To assist artists, their dependants and widows who are members of The Church of England	2,317
The Inez Topham (Board) Fund - For relief of distressed artists and their dependants	830
The Langdon Fund - To assist practising artists in temporary difficulties	1,332
The Sigismund Goetze Memorial Trust - To assist artists of the United Kingdom with professional expenses, convalescence and rehabilitation	1,294
The Frances Webb Trust - For the relief of distressed artists	4,563
The Sir Geoffrey Agnew Memorial Fund - To assist professional artists in distress	5,623
The Donia Rosen Fund - To assist young artists in difficulties due to accident, illness, or other such misfortunes	47
The Cecil Lawson Grant - To assist artists and their dependants	58,087
	<hr/>
	82,080
	<hr/> <hr/>

Restricted funds

Restricted funds comprise of the funds of the Artists Orphan Fund, a charity merged with the Artists General Benevolent Institution on 25th March 2015. The Artists Orphan Fund pays grants to the orphaned children of artists and this is being continued within the main Charity under the restricted fund called "AGBI - The Children's Fund".

We gratefully acknowledge the contribution from the Francis W Reckitt Arts Trust which has enabled beneficiaries to go away for holidays or work trips which they otherwise would not have been able to afford.

22. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. Total contributions for the year are disclosed in note 12. There were no outstanding or prepaid contributions at the balance sheet date.

23. RELATED PARTY DISCLOSURES

During the year, annual Jubilee Awards totalling £4,000 (2016 - £4,000) were awarded to former trustees. Two remain as Vice presidents of the Artists' General Benevolent Institution.

During the year, payments for office services were made to Sue Gentleman of £180 (2016 - £210), who is a related party of one of the Council members, David Gentleman.

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Detailed Statement of Financial Activities
for the year ended 5 April 2017**

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Annual subscriptions, donations and amounts collected by stewards	64,024	70,125
Legacies received	<u>10,885</u>	<u>87,789</u>
	74,909	157,914
Other trading activities		
Christmas card sales	12,588	5,056
Other event income	5,752	2,988
Royal Academy Contribution	<u>8,318</u>	<u>-</u>
	26,658	8,044
Investment income		
Income from investments	481,446	441,620
Royalty and legacy income	3,579	20,744
Deposit account interest	<u>2,106</u>	<u>2,790</u>
	487,131	465,154
Charitable activities		
Grants	<u>2,000</u>	<u>-</u>
Total incoming resources	590,698	631,112
EXPENDITURE		
Raising donations and legacies		
Stewards' expenses	200	6,145
Other trading activities		
Cost of Christmas cards	3,860	3,164
Other event expenses	<u>2,076</u>	<u>-</u>
	5,936	3,164
Charitable activities		
Grants to individuals	408,911	389,177
Support costs		
Information technology		
Investment management fees	21,900	22,009
Human resources		
Wages	126,920	122,808
Social security	11,300	11,728
Pensions	5,605	5,415
Visiting expenses	<u>2,357</u>	<u>1,987</u>
	146,182	141,938

This page does not form part of the statutory financial statements

ARTISTS GENERAL BENEVOLENT INSTITUTION

**Detailed Statement of Financial Activities
for the year ended 5 April 2017**

	2017	2016
	£	£
Other		
Archer Street rent	31,600	-
Archer Street expenses	8,202	-
Postage	1,707	1,959
Telephone	2,438	1,912
Office stationery	1,705	2,684
Advertising	360	-
Computer expenses	1,339	1,205
Repairs and renewals	192	965
Cleaning	3,789	3,769
Bank charges	2,158	2,100
Sundry expenses	567	654
Other gifts	402	(54)
Gain/loss on foreign exchange	-	(19)
Insurance and service charges	3,746	2,566
Subscriptions	679	540
Training	311	-
Fixtures and fittings	1,341	1,230
Computer equipment	<u>497</u>	<u>497</u>
	61,033	20,008
Governance costs		
Wages	6,671	6,453
Social security	753	723
Pensions	295	285
Auditors' remuneration	9,100	9,840
Annual report and AGM	10,271	9,344
Trustee meeting expenses	2,950	3,187
Legal and professional	<u>1,836</u>	<u>210</u>
	<u>31,876</u>	<u>30,042</u>
Total resources expended	<u>676,038</u>	<u>612,483</u>
Net (expenditure)/income before gains and losses	(85,340)	18,629
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>88,940</u>	<u>(94,225)</u>
Net income/(expenditure)	<u><u>3,600</u></u>	<u><u>(75,596)</u></u>