

Company Registered No: 03965285
Charity Registered No: 1080197

THE FLEMING-WYFOLD ART FOUNDATION
(a Company Limited by Guarantee and Registered as a Charity)

Report and Financial Statements

for the year ended 31 March 2021

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

The Foundation is a charitable company limited by guarantee and incorporated as Company Number 03965285 and registered as Charity Number 1080197 on 3 April 2000.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

TRUSTEES/DIRECTORS

Mr R D Fleming (Chairman)

Mr J E Holloway

Mr R D Schuster

Mr J P Scott

Mrs K J Sparrow

COMPANY SECRETARY

C E S Scott

REGISTERED OFFICE

15 Suffolk Street

London

SW1Y 4HG

INDEPENDENT AUDITOR

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

REGISTERED COMPANY NUMBER

03965285

REGISTERED CHARITY NUMBER

1080197

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their report together with the consolidated financial statements of the Foundation and its Subsidiary for the year ended 31 March 2021 which are also prepared to meet the requirements for a Director's Report and Accounts for Companies Act purposes.

The reference and administrative information set out on Page 1 forms part of this report. The financial statements comply with the Charities Act 2011, as amended, the Companies Act 2006, the Memorandum and Articles of Association and the reviewed Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUSTEES

The Trustees who held office throughout the year are shown on Page 1. New Trustees, when required, are appointed by a Resolution of existing Trustees and are selected on the basis of their expertise and knowledge of the Foundation's activities.

New Trustees undergo an induction process when they are fully briefed on the activities of the Foundation. They are also guided through the decision-making processes, recent business plans and management reports and are provided with copies of relevant documentation. When necessary, Trustees are encouraged to attend relevant external training events appropriate to their role.

No Trustee receives a fee for the service they provide to the Foundation, all time spent on Foundation business is donated free of charge.

The Trustees are indemnified by The Fleming-Wyfold Art Foundation's Directors & Officers Liability insurance policy which is renewed annually.

ORGANISATION

The Board of Trustees is responsible for the policy of the Foundation and the future development of the art collection as well as ensuring that the Charity Commission's guidelines on public benefit are met, and accordingly they meet a minimum of three times a year to review the progress of the Foundation and to make any decisions. In shaping the objectives for the year and planning activities, the Trustees have considered the Charity Commissions' guidance on public benefit, including the guide, Public Benefit: Running a Charity (PB2).

RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

- a regular review of the risks the Foundation may face;
- the establishment of systems and procedures to mitigate the risks highlighted by the review;
- the implementation of procedures to minimise any potential impact on the Foundation should those risks materialise.

The major risks which have been identified and reported to the Trustees have been reviewed and the Trustees are satisfied that arrangements are in place to mitigate those risks.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT

"The advancement of the education of the public in the arts and in particular modern Scottish Art principally by establishing and thereafter maintaining a collection of art open to public view".

FINANCIAL REVIEW

In addition to income from the investment portfolio, The Foundation continued its policy of raising funds through the leasing of certain works of art for use by other commercial organisations and licensing the copyright where it is owned by the Foundation for use worldwide.

The Foundation recorded a net operating surplus of £70,890 in the year (2020: £9,300 deficit).

Total expenditure decreased by approximately 30% to £291,918 (2020: £406,959 which included a settlement £62,715 in respect of a historic VAT dispute with HM Revenue & Customs in the year).

The Trustees established an Endowment Fund in 2006, which totalled £7,404,574 as at 31 March 2021 (2020: £6,245,122).

In addition, the Trustees raised £76,180 (2020: £47,500) by way of donations from other organisations and individuals.

ACHIEVEMENTS AND PERFORMANCE

The Trustees continue to implement new initiatives and changes designed to reshape the Foundation's operations for the future.

PUBLICATIONS

The Foundation continues to publish Scottish Arts News on an annual basis.

PLANS FOR THE FUTURE

The Trustees have carefully considered the impacts of coronavirus on the charity and have taken necessary steps to protect its staff. The Trustees have and continue to follow Government advice and will monitor future developments closely.

The Foundation may acquire new works when it is felt that they will add to the quality and diversity of the collection.

SUBSIDIARY UNDERTAKING

The subsidiary undertaking, Fleming Collection Limited, was dormant in the year and thus generated a profit of £nil in the year to 31 March 2021 (2020: profit of £nil).

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

INVESTMENT POLICY, OBJECTIVES AND PERFORMANCE

The Charity's investment objectives are:

- a) Preservation of capital and income after inflation, subject to periodic capital investment when required;
- b) Producing a consistent and sustainable income to support the general expenditure of the Charity; and
- c) Delivering these objectives within acceptable levels of risk.

To meet these objectives, the Charity's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes to produce an appropriate balance between risk and return.

The Trustees have decided that it would be inappropriate to impose any specific ethical investment constraints upon the investment manager over and above those already contained within the managers' own ethical and socially responsible investment policies.

RESERVES POLICY

It is the policy of the Trustees to maintain unrestricted funds and expendable endowment fund, which are free reserves of the Charity, at a level which will provide sufficient funds to cover management and administration costs and any unexpected costs that may arise from time to time, in addition to providing sufficient flexibility to add to the Collection when opportunities arise. The available reserves (excluding the Art Collection) as at 31 March 2021 amounted to £7,634,408 (2020: £6,408,557). The Trustees are satisfied with the level of reserves currently held.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Fleming-Wyfold Art Foundation for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and the incoming resources and application of resources, including the income and expenditure of the group 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 Charities SORP 2015;
- Make judgements and estimates that are reasonable and prudent; and
- State whether UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES (CONTINUED)

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 the financial statements comply with the Companies Act 2006. 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.

The Trustees are responsible for ensuring that the Trustees' Annual Report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITOR

In accordance with Section 487(2) of the Companies Act 2006, Moore Kingston Smith LLP are deemed to be reappointed as auditors of the Company for the following year.

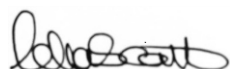
So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees and signed on their behalf by:



C E S Scott
Company Secretary
Dated: 26 July 2021

The Fleming Wyfold Art Foundation
Company Registered Number 03965285
Charity Registered Number 1080197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEMING-WYFOLD ART FOUNDATION

Opinion

We have audited the financial statements of The Fleming-Wyfold Art Foundation (the 'company') for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEMING-WYFOLD ART FOUNDATION (CONTINUED)

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEMING-WYFOLD ART FOUNDATION (CONTINUED)

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEMING-WYFOLD ART FOUNDATION (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEMING-WYFOLD ART FOUNDATION (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 29 July 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Fund £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations	3	76,180	-	-	76,180	47,500
Investments	4	-	-	173,593	173,593	228,271
Charitable activities	6	113,034	-	-	113,034	121,888
Total income		189,214	-	173,593	362,807	397,659
Expenditure on:						
Costs of generating funds	5	-	-	44,620	44,620	58,957
Charitable activities	7	247,297	-	-	247,297	348,002
Total expenditure		247,297	-	44,620	291,917	406,959
Net operating (deficit)/surplus		(58,083)	-	128,973	70,890	(9,300)
Transfer between funds	15	126,005	37,940	(163,945)	-	-
Other recognised gains:						
Gains/(losses) on investment assets	11	-	-	1,194,424	1,194,424	(598,655)
		-	-	1,194,424	1,194,424	(598,655)
Net (expenditure)/income for the year		67,922	37,940	1,159,452	1,265,314	(607,955)
Reconciliation of funds:						
Total funds brought forward		160,774	5,270,256	6,245,122	11,676,152	12,284,107
Total funds carried forward		228,696	5,308,196	7,404,574	12,941,466	11,676,152

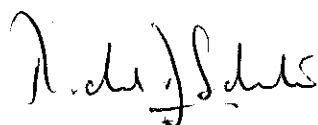
All of the income and expenditure above relate to the parent company.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets:			
Tangible fixed assets	10	5,308,196	5,270,256
Investments	11	7,404,574	6,245,122
<i>Total fixed assets</i>		12,712,770	11,515,378
Current assets:			
Debtors	12	29,465	35,266
Cash at bank		235,623	159,665
<i>Total current assets</i>		265,088	194,931
Liabilities			
Creditors – amounts falling due within one year	13	(36,392)	(34,157)
<i>Net current assets</i>		228,696	160,774
Total net assets		12,941,466	11,676,152
The funds of the group:			
Unrestricted funds	15	228,696	160,774
Restricted funds	14	5,308,196	5,270,256
Endowment fund	14	7,404,574	6,245,122
<i>Total Charity funds</i>		12,941,466	11,676,152

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 11 to 25 were approved by the Trustees and authorised for issue on 26 July 2021 and are signed on their behalf by:



Mr R D Schuster
Trustee

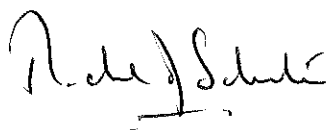
The Fleming-Wyfold Art Foundation
Company Registered Number 03965285
Charity Registered Number 1080197

COMPANY BALANCE SHEET AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	10	5,308,196	5,270,256
Investments – in subsidiary undertaking	18	1	1
Investments – other	11	7,404,574	6,245,121
		12,712,771	11,515,378
Current assets			
Debtors	12	38,169	43,986
Cash at bank		226,918	150,945
		265,087	194,931
Liabilities			
Creditors – amounts falling due within one year	13	(36,392)	(34,157)
<i>Net current assets</i>		228,696	160,774
Total net assets		12,941,466	11,676,152
The funds of the charity:			
Unrestricted funds	15	228,696	160,774
Restricted funds	14	5,308,196	5,270,256
Endowment fund	14	7,404,574	6,245,122
Total Charity funds		12,941,446	11,676,152

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 11 to 25 were approved by the Trustees and authorised for issue 26 July 2021 and are signed on their behalf by:



Mr R D Schuster
Trustee

The Fleming-Wyfold Art Foundation
Company Registered Number 03965285
Charity Registered Number 1080197

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Foundation is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011. The accounts are prepared in sterling, which is the functional currency of the Charity, and rounded to the nearest pound.

Going concern

The financial statements have been prepared on a going concern basis which assumes the charitable company will continue in operational existence for the foreseeable future. The Trustees have carefully considered the impacts of coronavirus on the charity and have taken necessary steps to protect its staff. The Trustees have and continue to follow Government advice and will monitor future developments closely. The Trustees have considered the Foundation's financial forecasts and are satisfied of the Foundation's ability to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidation of Subsidiary

The Foundation is the sole shareholder in Fleming Collection Limited. Consolidated financial statements have been prepared in accordance with the Charities SORP 2015. As permitted by section 480 of the Companies Act 2006 and Charities SORP 2015, the Statement of Financial Activities for the Foundation is not presented as part of these financial statements.

Fund Structure

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted Funds are those which are given for particular purposes as specified by their donors. The Foundation has one restricted fund which represents the original donation to acquire the Fleming Collection of Scottish Art.

The Expendable Endowment Fund was created through the donation of a portfolio of investments from the late Mr Robin Fleming in 2007 along with the proceeds from the sale of the clocks and other works of art that no longer fitted the remit of the charity. Income arising on the Fund can be used in the Unrestricted Fund.

Designated Funds are amounts which have been put aside out of general unrestricted funds at the discretion of the Trustees.

Income

All income is recognised in the Consolidated Statement of Financial Activities (SOFA) when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has been or will be made such income is grossed up for the tax recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Grants and Donations Receivable

Grants and donations are recognised in the SOFA when conditions for receipt have been complied with.

Activities in furtherance of the Charity's Objects

This represents income received from the ownership and utilisation of the collection and is accounted for when receivable.

Investment Income

Investment income is accounted for when receivable and is stated gross of any reclaimable taxation relief.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to the different categories of expenditure:

Costs of Charitable Activities

These costs relate to expenditure incurred by the Charity in relation to the promotion of the Charities objects, including the exhibiting, loaning and leasing of the art works.

Support and Governance Costs

Support and governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include expenses related to statutory audit fees, professional and legal fees and support costs.

Tangible Fixed Assets including Heritage Assets

Tangible Fixed Assets, which are stated at cost, include the Fleming collection of works of art which are available to exhibit to the public.

The Art Collection falls within the definition of 'Heritage Assets' under FRS 102 and the Charities SORP. Heritage assets are stated at cost or estimated market value if donated and are not subject to depreciation. Impairments in the carrying value of heritage assets are recognised if they have suffered physical deterioration or doubts arise as to their authenticity. The Art Collection is reviewed each year in order to assess whether any overall impairments are necessary.

Depreciation

No depreciation has been provided on the collection as the Trustees consider that the estimated useful life of the collection is indefinite. Depreciation is provided on fixtures and fittings and is provided at a rate calculated to write off cost, less estimated residual value, evenly over their expected useful life.

The depreciation periods are as follows:

- Fixtures and fittings 4 years
- Computer Equipment 2 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at market value at the Balance Sheet date. Any gain or loss on revaluation is taken to the SOFA.

Pensions

Contributions payable are charged to the SOFA in the year they are payable.

Leases

Rental payable under operating leases are accounted for in the SOFA in equal amounts over the period of the lease. During 2021 the operating lease for the photocopier ended and a credit of £56 was refunded (2020: £2,241).

Taxation

The Foundation, being a registered charity, is exempt from the payment of income, corporation or capital gains tax to the extent that its activities are charitable in nature.

Foreign Currency Transactions

Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences arising during the year are included in the SOFA.

Realised and Unrealised Gains and Losses

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as all the difference between sales proceeds and opening market value (purchase price 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 price if later).

Critical accounting estimates and areas of judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. 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.

Financial instruments

The Foundation has elected to apply the provisions of Section 11 Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to reduce the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and current and fixed term deposits with banks.

2. LIABILITY OF MEMBERS

The Fleming-Wyfold Art Foundation is a charitable company limited by guarantee.

Each member of the Charity undertakes to contribute such an amount as may be required (not exceeding £10) to the Charity's assets if it should be wound up whilst he is a member.

3. DONATIONS

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2021
	£	£	£	£
The Lennox Hannay Charitable Trust	25,000	-	-	25,000
The Wyfold Charitable Trust	25,000	-	-	25,000
The PF Charitable Trust	25,000	-	-	25,000
Peter Micklethwait	1,000	-	-	1,000
Cash	180	-	-	180
	76,180	-	-	76,180

The above donations have been designated by the Trustees to the Art Acquisition Fund towards the purchase of artwork.

Comparatives for the year ended 31 March 2020:

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2020
	£	£	£	£
The Lennox Hannay Charitable Trust	10,000	-	-	10,000
The Wyfold Charitable Trust	12,500	-	-	12,500
The PF Charitable Trust	25,000	-	-	25,000
	47,500	-	-	47,500

The above donations have been designated by the Trustees to the Art Acquisition Fund towards the purchase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

4. INVESTMENT INCOME

Group	Unrestricted	Restricted	Expendable	Total
	Funds	Funds	Endowment	
	£	£	Fund	
Income from Investments	-	-	173,593	173,593
	-	-	173,593	173,593

Comparatives for the year ended 31 March 2020:

Group	Unrestricted	Restricted	Expendable	Total
	Funds	Funds	Endowment	
	£	£	Fund	
Income from Investments	-	-	228,271	228,271
	-	-	228,271	228,271

5. COSTS OF GENERATING FUNDS

Group	Unrestricted	Restricted	Expendable	Total
	Funds	Funds	Endowment	
	£	£	Fund	
Investment Management Fees	-	-	28,770	28,770
Custodian Fees	-	-	15,850	15,850
	-	-	44,620	44,620

Comparatives for the year ended 31 March 2020:

Group	Unrestricted	Restricted	Expendable	Total
	Funds	Funds	Endowment	
	£	£	Fund	
Investment Management Fees	12,857	-	28,900	41,757
Custodian Fees	-	-	17,200	17,200
	12,857	-	46,100	58,957

6. CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2021
	£	£	£	£
Advertising	1,050	-	-	1,050
Loan of paintings	109,452	-	-	109,452
Reproduction charges - Bridgeman Art Library	1,176	-	-	1,176
Catalogue and book sales (non-Group)	1,356	-	-	1,356
	113,034	-	-	113,034

Comparatives for the year ended 31 March 2020:

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2020
	£	£	£	£
Advertising	7,025	-	-	7,205
Loan of paintings	107,651	-	-	107,651
Reproduction charges - Bridgeman Art Library	72	-	-	72
Catalogue and book sales (non-Group)	7,140	-	-	7,140
	121,888	-	-	121,888

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

7. COST OF CHARITABLE ACTIVITIES AND SUPPORT COSTS

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2021
	£	£	£	£
Bursary	80	-	-	80
Cost of staff (note 8)	118,305	-	-	118,305
Conservation	15,066	-	-	15,066
Promotion and marketing	11,827	-	-	11,827
Publication costs	4,340	-	-	4,340
Miscellaneous costs	7,217	-	-	7,217
Insurance	15,133	-	-	15,133
IT & Communication costs	14,390	-	-	14,390
Storage & Transport	19,941	-	-	19,941
Printer Lease costs	(56)	-	-	(56)
Travel Costs	892	-	-	892
Support and Governance Costs (note 9)	40,162	-	-	40,162
	247,297	-	-	247,297

Comparatives for the year ended 31 March 2020:

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2020
	£	£	£	£
Bursary	1,500	-	-	1,500
Cost of staff (note 8)	117,048	-	-	117,048
Conservation	3,613	-	-	3,613
Promotion and marketing	12,148	-	-	12,148
Publication costs	10,491	-	-	10,491
Miscellaneous costs	12,000	-	-	12,000
Insurance	15,869	-	-	15,869
IT & Communication costs	50,707	-	-	50,707
Storage & Transport	24,227	-	-	24,227
Mentoring	1,120	-	-	1,120
Printer Lease costs	2,241	-	-	2,241
Travel Costs	8,579	-	-	8,579
Support and Governance Costs (note 9)	25,744	-	-	25,744
Historic VAT liability	62,715	-	-	62,715
	348,002	-	-	348,002

None of the Trustees have received any remuneration in the year (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

7. COST OF CHARITABLE ACTIVITIES AND SUPPORT COSTS (CONTINUED)

Travel and other expenses totalling £nil incurred in connection with activities of the Charity were reimbursed to no members of the board of Trustees during the year (2020: £3,650 to one Trustee).

The Foundation considers the Director of Art and Collections and Web Manager as key management personnel. The total employment benefits including employer pension contributions of the key management personnel were £121,618 (2020: £119,244).

8. ANALYSIS OF STAFF COSTS

	Group 2021 £	Group 2020 £
Wages and salaries	109,000	106,789
Social security costs	8,618	9,455
Pension contributions	687	804
	118,305	117,048

One employee received remuneration of between £80,000 to £90,000 in the year (2020: 1 between £80,000 to £90,000). This employee received no pension contributions.

The monthly average number of full time employees during the year was 2 (2020: 2).

9. SUPPORT AND GOVERNANCE COSTS

	Total Unrestricted 2021 £	Total Unrestricted 2020 £
<i>Support /Administrative Costs</i>		
Charity Administration/Financial Reporting and Bookkeeping/Administration Services	28,738	16,679
<i>Governance Costs</i>		
Auditor's remuneration		
Audit fee - current year	10,000	10,000
- prior year over accrual	(1,550)	(1,800)
- other fees	2,974	865
Legal and Professional	-	-
	40,162	25,744

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

10. TANGIBLE FIXED ASSETS

	Heritage Assets (Art Collection)	Computer Equipment	Total
Group and Charity Cost	£	£	£
Brought Forward	5,267,596	7,182	5,274,778
Additions	39,462	-	39,462
Carried Forward	5,307,058	7,182	5,314,240
	-		
Depreciation			
Brought Forward	-	4,522	4,522
Provided for the Year	-	1,522	1,522
Carried Forward	-	6,044	6,044
Net Book Value as at 31 March 2021	5,307,058	1,138	5,308,196
Net Book Value as at 31 March 2020	5,267,596	2,660	5,270,256

Heritage Assets (Art Collection)

The Fleming Collection ranks as one of the finest collection of Scottish art outside museums. Acquisition was started in the late 1960s by a Director of Robert Fleming & Co. The collection comprises circa 600 oils and watercolours ranging in date from 1633 to the present day; and is particularly noted for containing some of the most iconic paintings of the period. It is intended to remain a living collection by acquiring further works where the opportunity arises and where they are consistent with the themes of the collection.

During the past five years the following movements in the collection have occurred:

Year ended 31 March	Donations £	Purchases £	Disposals £	Proceeds £
2021	-	39,462	-	-
2020	-	30,720	-	-
2019	-	131,340	(1,375)	(22,313)
2018	-	70,500	-	-
2017	10,000	40,000	-	-

Items from the Collection are regularly loaned to museums and galleries for Exhibition purposes and images are available to view online. Items not otherwise required for exhibition are loaned commercially to businesses for display. The collection is actively managed by the Collections and Web Manager who supervises all loans, monitors the condition of the paintings and arranges for their conservation where necessary.

The collection is insured with Lockton Insurance and was valued by Christie's in 2017 at £18,711,960.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

11. INVESTMENTS

	Total 2021 £	Total 2020 £
Market value brought forward	6,245,122	6,878,378
Acquisitions at cost	1,122,547	1,347,548
Less: disposal proceeds (realised capital cash)	(729,680)	(1,561,138)
	6,637,989	6,664,788
Realised gains/(losses) on disposals	63,542	6,551
Net gain/(loss) on revaluation	1,130,882	(605,206)
	7,832,413	6,066,133
Add: net movement in realised capital cash retained for reinvestment	(427,839)	178,989
Market value at 31 March	7,404,574	6,245,122
<i>Historical cost at 31 March</i>	<i>5,927,771</i>	<i>5,934,195</i>
Analysis of investments :-		
Equities	5,334,998	3,579,092
Property funds	756,326	783,812
Bonds	747,561	920,662
Hedge funds	383,554	355,994
Cash held for reinvestment	182,135	605,562
Market value at 31 March	7,404,574	6,245,122

No investments comprised in excess of 10% of the value of the portfolio as at 31 March 2021 (2020: £nil).

12. DEBTORS

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade debtors	1,087	1,087	411	411
Prepaid expenses	16,508	16,508	16,380	16,380
Amounts due from subsidiary	-	8,704	-	8,720
Taxes repayable	11,870	11,870	18,475	18,475
	29,465	38,169	35,266	43,986

13. ANALYSIS OF LIABILITIES

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	6,828	6,828	1,666	1,666
Other creditors	1,196	1,196	3,284	3,284
Accruals	28,368	28,368	29,207	29,207
	36,392	36,392	34,157	34,157

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

14. FUND ANALYSIS

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2021
Group	£	£	£	£
Tangible fixed assets	-	5,308,196	-	5,308,195
Investments	-	-	7,404,574	7,404,574
Debtors	29,465	-	-	29,465
Cash	235,623	-	-	235,623
Liabilities	(36,392)	-	-	(36,392)
	228,696	5,308,196	7,404,574	12,941,466

Comparatives for the year ended 31 March 2020:

	Unrestricted	Restricted	Expendable Endowment	Total
	Funds	Funds	Fund	2020
Group	£	£	£	£
Tangible fixed assets	-	5,270,256	-	5,270,256
Investments	-	-	6,245,122	6,245,122
Debtors	35,266	-	-	35,266
Cash	159,665	-	-	159,665
Liabilities	(34,157)	-	-	(34,157)
	160,774	5,270,256	6,245,122	11,676,152

A description of the purpose of the funds is given in Note 1 to the financial statements.

15. UNRESTRICTED FUNDS

	Designated Funds	General Unrestricted Funds	Total Unrestricted Funds 2021
	£	£	£
Balance brought forward	40,919	119,855	160,774
Incoming Resources	76,180	113,034	189,214
Expenditure	-	(247,927)	(247,927)
Historic adjustment to reflect earlier additions	(36,862)	36,862	-
Fund Transfers	(37,940)	163,945	126,005
Balance carried forward	42,297	186,399	228,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

16. UNRESTRICTED FUNDS (CONTINUED)

Comparatives for the year ended 31 March 2020:

	Designated Funds	General Unrestricted Funds	Total Unrestricted Funds 2020
	£	£	£
Balance brought forward	26,799	142,054	168,853
Incoming Resources	47,500	121,888	169,388
Expenditure	-	(360,859)	(360,859)
Fund Transfers	(33,380)	216,772	183,392
Balance carried forward	40,919	119,855	160,774

The Designated Fund represents the Art Acquisitions Fund which was set up by the Trustees to provide funds for the purchase of art for the Art Collection. Where a donation is received which is specified to be for a particular purpose those donations are included in the Restricted Funds (Note 14). Any donations of art are also treated as Restricted Funds and capitalised in the Art Collection. The Designated Fund carried forward as at 31 March 2021 amounted to £42,297 (2020: £40,919).

During the year the Trustees purchased art costing £39,462 (2020: £30,720) utilising Designated Funds. This is included as purchased art in the Art Collection (Note 9).

Expenditure on art restoration has been met from the General Unrestricted Funds.

During the year £126,005 (2020: £183,392) was transferred from the expendable endowment fund to the unrestricted funds. These transfers were made in order to support the running costs of the charity.

17. RELATED PARTY TRANSACTIONS

RFT Management Services Limited ("RFTMS")

Mr R D Schuster is a director of RFTMS. RFTMS charged the Foundation for Charity Administration and Book-keeping services £28,641 (2020: £28,434) and recharged costs of £5,767 (2020: £3,597) during the year.

18. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2021	2020
	£	£
Fleming Collection Limited	1	1

The investment in subsidiary undertaking comprises the entire share capital of Fleming Collection Limited (registered company number 04351531). Fleming Collection Limited previously undertook commercial activities on behalf of The Fleming-Wyfold Art Foundation. Fleming Collection Limited has been dormant throughout the financial year ended 31 March 2021.

19. POST BALANCE SHEET EVENT

Fleming Collection Limited repaid the amount owed by subsidiary (£8,704) on 7 July 2021.