

Charity registration number 1098517

THE LYC FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2022

THE LYC FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr B M Haines
	A Lan
	Dr D Yeh
Charity number	1098517
Independent examiner	Grunberg & Co Limited
	5 Technology Park
	Colindeep Lane
	Colindale
	London
	United Kingdom
	NW9 6BX

THE LYC FOUNDATION

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THE LYC FOUNDATION

TRUSTEES REPORT

FOR THE PERIOD ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the Period ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Education and research

Covid and the implications of the pandemic halted the out reach work of the Foundation during 2020-21 and 2021-22 has seen the continuation of research by scholars, notably with the Paul Mellon Centre and Kettles Yard.

Li Yuan-chia's work was included several world class exhibitions this year:

'Art Histories of a Forever War: Modernism between Space and Home', a group exhibition at Taipei Fine Arts Museum, during (16/10/21-20/2/22). The presentation was an exploration of modern art in post war Taiwan and the enduring resonances of this historical milieu. Paying tribute to a generation of pioneer practitioners in Taiwan art history who crystalised modern art through a series of artistic breakthroughs and debates, the exhibition foregrounds the modern art masterpieces housed in the Taipei Fine Arts Museum, including works of Li Yuan-Chia, Chin Sung, Liu Kuo-Sung, Hsiao Chin, Lee Shi-Chi, and Han Hsiang-Ning as well as works by modernist architects Wang Da Hong and Chen Chi-Kwan and thirteen representative contemporary artists.

'Radical Landscapes', Tate Liverpool, (5/5/22 – 4/9/22). From rural raves in Castlemorton to anti-nuclear protests at Greenham Common, this exhibition presented a radical view of the British landscape in art. Includes hand-coloured photographs made in the grounds of Li's home at Banks, Cumbria, alongside paintings, sculptures, photographs, films by artists including Gustav Metzger, Jeremy Deller, Ingrid Pollard, Tanoa Sasraku, Derek Jarman, Hurvin Anderson, Claude Cahun, Alan Lodge and many more. Tate showed works previously acquired by the Tate from the Foundation <https://www.tate.org.uk/whats-on/tate-liverpool/radical-landscapes>

'A Century of the Artist's Studio, 1920-2020' at Whitechapel Gallery, (24/2/22 – 5/6/22), was a 100-year survey of the studio through the work of artists and image-makers from around the world. Whether it be an abandoned factory, an attic or a kitchen table, it is the artist's studio where the great art of our time is conceived and created. In this multi-media exhibition, the wide-ranging possibilities and significance of these crucibles of creativity take centre stage and new art histories around the modern studio emerge through striking juxtapositions of under-recognised artists with celebrated figures in Western art history. The exhibition brought together more than 100 works by over 80 artists and collectives from Africa, Australasia, South Asia, China, Europe, Japan, the Middle East, North and South America. They range from modern icons such as Francis Bacon, Louise Bourgeois, Pablo Picasso, Egon Schiele and Andy Warhol, to contemporary figures such as Walead Beshty, Lisa Brice and Kerry James Marshall. It is important that Li's work is seen as equivalent in this lineage of a contemporaneous art history. The exhibition includes paintings, sculptures, installations and films depicting the studio as work of art and presents documentation of artists' studios by world-renowned photographers and film-makers. A series of 'studio corners' also recreate the actual environments where great art has been produced. Aaron Tan, a young artist based in London took Li's practice in its domestic context as a starting point for a homage to Li's work, making a facsimile of a kitchen cabinet from Li's former home in Banks to show a series of points and tiny projections within.

THE LYC FOUNDATION

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

Objectives and activities

Aaron Tan received a grant of £1,000 from LYC Foundation towards the production costs of this (28/2/22).

<https://www.theguardian.com/artanddesign/2022/may/06/radical-landscapes-loving-greenfields-wicked-tate-liverpool-tacita-dean-constable>

<https://www.whitechapelgallery.org/exhibitions/a-century-of-the-artists-studio-1920-2020/>

Tate St Ives – as reported in the previous year's report, Haegue Yang: the exhibition of Li's work at Tate St Ives, in a larger exhibition curated by the artist Haegue Yang, originally scheduled for the summer but due to COVID19 postponed, commenced in Spring 2021 and concluded at the end of September 2021. Some 14 works, from the store in Salisbury were sent on loan. One of the Trustees (Bruce Haines) oversaw the loan arrangements, and Aliza Lan attended the exhibition.

<https://www.tate.org.uk/whats-on/tate-st-ives/haegue-yang-strange-attractors>

The Trustees and Manager continue to support a post-graduate scholar, in Li Yuan-chia's name, at the University of Cumbria. The Trustees have committed to provide consultation support to this student, and others who may succeed him. The Trustees provide information to scholars on request.

The past 18 months has seen a developing professional and scholarly relationship with the founding collecting curator at Museum+ in Taipei, Lesley Ma. Subsequently she has a new appointment as curator of the MET, New York and is working with the Foundation to have the works in the collection there. We have held Zoom meetings with her and are looking to place work by Li in the MET in the future.

Royalties for use of images under the Foundation's copyright continued as a valuable source of income to the Foundation. They are managed by the non-profit organisation DACS, with whom the Foundation is registered. The Foundation must continue to direct enquiries to DACS so that source of income continues year on year. The Trustees must ensure that enquiries to use images of LYC are directed to DACS in order for this source of revenue to be maximised.

An objective of establishing a fund for the financial support of artists (and writers, poets, researchers) remains one of the fundamental aims of the Foundation. However the unpredictable nature of sales means that regular contributions to artists have to be balanced against the fixed costs the Foundation has in storing and conserving Li's work, its website and administrative duties.

The Foundation returned the window made by David Nash for the LYC Museum in the 1970s to the artist for refurbishment. Latter to be reinstalled into The Farmers Arms. However, before this happens it will be shown at Kettles Yard House and Museum from November 2023.

THE LYC FOUNDATION

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

Achievements and performance

One key shift in the Foundations objectives is to have the works of Li placed in museum collections to mitigate against the long term storage issue of keeping the work in storage facilities while also allowing greater public access to the works themselves. Discussions continue with the Tate Gallery, London for a major acquisition of ink works on paper, that will be concluded in 2023.

The Foundation was presented with an opportunity to acquire 5 hand coloured photographs by Li that the artist had previously sold, or given, to Mary Burkett, a former director of Abbott Hall Museum and Art Gallery (1966-86) where Li's work was shown in 2001. After her death in 2014 Lady Burkett's estate was sold at auction in a small provincial agricultural auction where these works were acquired very cheaply by Max Wayman. The Foundation decided to acquire these works to secure them for future presentation after conservation to Abbot Hall Museum where we believe they should be homed, at a cost of £15,000.

Financial review

Principal funding sources:

On 5/11/21 funds of £40,000 were incoming from the sale of works in Taiwan by the Each Modern (Taipei) Gallery.

The Foundation seeks to establish itself as the principle commercial representative of the Estate of LYC if possible. This is in contrast to the similar and conflicting aims of Richard Saltoun, a commercial gallery in London who operates outside of the parameters set by the Foundation. The cost of this is high in terms of the perception of who manages LYC's works internationally, and in the proper copyrighting of Li's work when published.

Trustees continue to discuss options for the future funding of the Foundation. Current costs include: storage, archivists, administrator salary (now invoiced hourly. Having the Trustee, Bruce Haines, administer the Foundation is cost and time effective, as he has the contacts in the private and public sector, and where as the former part time employee cost the foundation some £21,000 pa, this arrangement cost the Foundation in 2021-22 £3,105. According to the Charities commission payments such as this can be made so long as it "is in the interests of the Charity" and "provides a significant and clear advantage over other options". We try to minimise the regular outgoings, as in COVID19 period, fiscal arrangements need to be more conservative as sales are less likely to ensue, while storage, accountancy, conservation and website costs continue to accrue.

The Foundation also covers the Trustee's travel to visit and attend exhibitions that feature Li's work, in this case to Brussels by Aliza Lan. The latter began to do more work for the Foundation, however the costs of this looks to be high and incurred £1,650 in just one month (compared with £3,105 for 12 months by the administrator). However the Foundation will have to consider the increased awareness of the Foundation as a result of this paid activity and advocacy.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Recruitment and appointment of new trustees is guided by the governing document. For the present, Bruce Haines will manage the Foundation's administrative needs, while Aliza Lan, for as long as the funds allow, will seek to represent the Foundation at higher art levels, that being at auction houses, institutions, and the need of viewers for the works in storage. This will be reviewed at the end of the next year. Note: the costs incurred with employing Aliza Lan have proven to be unsustainable.

The trustees who served during the Period and up to the date of signature of the financial statements were:

Mr B M Haines

A Lan

Dr D Yeh

THE LYC FOUNDATION

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1098517

Principal address
c/o Mr Bruce Haines
47 Bradley Road
London SE19 3NT

Report of the Trustees
for the Year Ended 31 July 2022

Accountants
Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX:

The Trustees report was approved by the Board of Trustees.

.....
Mr B M Haines
Trustee

Date:

THE LYC FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LYC FOUNDATION

I report to the trustees on my examination of the financial statements of The LYC Foundation (the charity) for the Period ended 31 July 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

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

Grunberg & Co Limited

Sanjay Pamar ACA

5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX
United Kingdom

Dated:

THE LYC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Charitable activities	2	40,687	1,920
		<hr/>	<hr/>
Charitable activities	3	13,581	17,941
		<hr/>	<hr/>
Net income/(expenditure) and movement in funds		27,106	(16,021)
 Reconciliation of funds:			
Fund balances at 1 August 2021		57,868	73,889
		<hr/>	<hr/>
Fund balances at 31 July 2022		84,974	57,868
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the Period. All income and expenditure derive from continuing activities.

THE LYC FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		1		1
Tangible assets	9		28,601		13,601
			<u>28,602</u>		<u>13,602</u>
Current assets					
Cash at bank and in hand		64,555		51,499	
Creditors: amounts falling due within one year	10	<u>8,183</u>		<u>7,233</u>	
Net current assets			56,372		44,266
Total assets less current liabilities			<u>84,974</u>		<u>57,868</u>
The funds of the charity					
Unrestricted funds			84,974		57,868
			<u>84,974</u>		<u>57,868</u>

The financial statements were approved by the trustees on

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Mr B M Haines

Trustee

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2022

1 Accounting policies

Charity information

The LYC Foundation is a an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	Fully depreciated
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Works of Arts	Not depreciated
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Income from charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Charitable income		
Sale of goods	40,000	-
Other income	687	1,920
	<hr/>	<hr/>
	40,687	1,920
	<hr/>	<hr/>

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

3 Expenditure on charitable activities

	Total 2022 £	Total 2021 £
Direct costs		
Charitable expenditure heading 2	1,000	2,000
Sundry	95	94
Storage rent & rates	1,928	8,544
Exhibition, curator & administration services	4,755	2,319
Carriage	574	584
	<u>8,352</u>	<u>13,541</u>
Share of support and governance costs (see note 4)		
Support	320	432
Governance	4,909	3,968
	<u>13,581</u>	<u>17,941</u>
Analysis by fund		
Unrestricted funds	<u>13,581</u>	<u>17,941</u>

4 Support costs allocated to activities

	Total 2022 £	Total 2021 £
Computer consumables	320	244
Travel & accommodation	-	188
Governance	4,909	3,968
	<u>5,229</u>	<u>4,400</u>
Governance costs comprise:	2022 £	2021 £
Legal and professional	4,909	3,968
	<u>4,909</u>	<u>3,968</u>

5 Trustees

Curator and administration costs of £4,755 (2021: £2,319) were paid to two of the of the trustees.

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

6 Employees

The average monthly number of employees during the Period was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

7 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

8 Intangible fixed assets

	Website £
Cost	
At 1 August 2021 and 31 July 2022	3,000
Amortisation and impairment	
At 1 August 2021 and 31 July 2022	2,999
Carrying amount	
At 31 July 2022	1
At 31 July 2021	1

9 Tangible fixed assets

	Works of Arts £
Cost	
At 1 August 2021	13,601
Other assets	15,000
At 31 July 2022	28,601
Carrying amount	
At 31 July 2022	28,601
At 31 July 2021	13,601

THE LYC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2022

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	325	325
Accruals and deferred income	7,858	6,908
	<u>8,183</u>	<u>7,233</u>

11 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2021 £	Incoming resources £	Resources expended £	At 31 July 2022 £
General funds	57,868	40,687	(13,581)	84,974
	<u>57,868</u>	<u>40,687</u>	<u>(13,581)</u>	<u>84,974</u>
Previous year:	At 1 August 2020 £	Incoming resources £	Resources expended £	At 31 July 2021 £
General funds	73,889	1,920	(17,941)	57,868
	<u>73,889</u>	<u>1,920</u>	<u>(17,941)</u>	<u>57,868</u>

12 Related party transactions

There were no disclosable related party transactions during the Period (2021 - Nil).