

THE GILBERT AND GEORGE CENTRE
REGISTERED CHARITY NUMBER: 1174981

REPORT AND FINANCIAL STATEMENTS

for the year ended 30th April 2021

**THE GILBERT AND GEORGE CENTRE
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**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30th APRIL 2021**

Reference and administrative information

Settlers	Gilbert Prousch George Passmore
Dates of Constitution	4th October 2017
Trustees	Gilbert Prousch George Passmore Richard Riley Michael Bracewell Nigel Fox
Nature of CIO	A registered charity, registered with the Charity Commissioners for England and Wales as number 1174981
Registered Office	12 Fournier Street London E1 6QE
Investment Managers	Cazenove 31 Gresham Street London EC2V 7QA
Bankers	Messrs. Hoare & Co. 37 Fleet Street London EC4P 4DQ
Solicitors	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
Accountants	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London, EC1M 7AD

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30th APRIL 2021**

Report of the Trustees for the year ended 30th April 2021

The Trustees present their report along with the financial statements of the charity for the year ended 30th April 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 8 and 9 and comply with the charity's Constitution, the Charities Act 2011 and the requirements of 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 including Update Bulletin 2.

Structure, Governance and Management

The Gilbert and George Centre was established by the Constitution dated 4th October 2017. The CIO has been approved by the Charity Commission and is registered as Number 1174981. The names of the present Trustees and their advisers are shown on page 1. The power to remove and appoint new or additional Trustees is vested in the Trustees.

Objects and Activities

The objects of the Charity are to advance the education of the public in the arts, and generally to advance the arts, architecture, heritage and culture for the benefit of the public, especially but not exclusively by the preservation, after the deaths of George Passmore and Gilbert Prousch, of the properties in Fournier Street occupied by them and the collections, archives and works of art created by them. In 2015 the Trustees acquired a freehold property with the intention of converting it into a museum.

Grant making policy

The annual income from the CIO and its capital is used from time to time to cover the annual Charitable Grants and expenses. The Trustees meet annually to decide grants they wish to make out of the income, in accordance with the objects set out above. The Trustees seldom grant funds to unsolicited requests for donations and no grants were made during the year. The charity maintained its focus on the conversion of the freehold property at Heneage Street to establish a museum and art gallery.

In shaping their objectives for the year and planning their activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance

The activities of the CIO remain satisfactory and the objects of the CIO were achieved during the year.

The CIO carried out no fund-raising activities and received one small new grant during the year.

The Trustees turned full attention during the year to the renovation and conversion of the freehold property at 5a Heneage Street, London that was purchased in 2015. The project is complicated by the large number of neighbours on the boundary walls and during 2019, all the Party Wall awards were finalised which could then allow construction to commence.

Following the appointment of the main contractor in mid 2019, a contract was finalised and due to be signed in late March 2020 with an immediate start. However, with the onset of the COVID lockdown, the Trustees voted at short notice to delay the contract signing and the commencement of works due to the uncertainties in financial markets and in the operation of building sites.

The initial uncertainty caused by the pandemic had subsided by May 2020 resulting in some clarity and confidence returning. In order to de-risk the financial commitment whilst some uncertainty remained, the Trustees requested that the contract be split into two construction stages (Stage 1- watertight basement and shell and Stage 2 - fit-out). A contract was signed in June 2020 and construction of Stage 1 commenced.

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT
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Building work progressed smoothly and the Trustees agreed to move forward with Stage 2 in November 2020. The deadline date for this decision had been March 2021 in order to ensure uninterrupted continuity but the decision was taken earlier as the Trustees were comfortable with the increased financial commitment and it helped improve the flow of the project as an increasing count of Stage 1 versus Stage 2 decisions was consuming time in the design and construction team meetings.

By the end of April 2021 the project had been substantially de-risked as all major underpinning works had been completed and the majority of the new basement dug out without the discovery of any unexpected issues. Work continues with the project moving smoothly towards the end of what was originally Stage 1 and at the same time commencing works in Stage 2.

The expected completion date of the contract is in December 2021 and the Trustees have now turned attention to the next phase of staffing and running the gallery with a view to opening to the public in the second quarter of 2022.

The Trustees are satisfied that the CIO's assets are available and adequate to fulfil the obligations of the CIO. In particular, the building project expenditure has been carefully controlled and is running close to budget.

Financial Review

Total investment income during the year amounted to £21,628 (2020: £98,129). Total expenditure amounted to £27,512 (2020: £45,082). The founders donated a further £200 to the charity in the year under review (2020: nil) and net inflow of funds after recognised gains and losses amounted to £603,017 (2020: outflow of £49,827). The financial statements for the year are set out in pages 6 to 12.

Risk Management

The Trustees have undertaken a review of the risk and the management of the Charity and the financial procedures it has adopted. In particular they review the major risks to which the Charity is exposed and have taken steps to ensure that systems have been established to mitigate those risks.

Investment Policy and Performance

At the year end the charity held investments of £2,759,856 (2020: £4,151,155). During the year the charity made net investment sales of £2,000,000 (2020: net purchase of £147,382) to finance the expenditure on the property at 5a Heneage Street. During the year the charity received investment income of £26,128 (2020: £98,129) and the portfolio made net gains on revaluation of £608,701 (2020: net loss of £102,874).

Future Plans

The key project remains the renovation and conversion of the property at 5a Heneage Street, London with the objective of creating a museum/gallery to showcase the work, archive and collections of Gilbert & George.

Major design and planning milestones have all been passed and construction work is well underway since June 2020. The work is expected to complete in December 2021. The Trustees continue to monitor the project very closely as it represents a sizeable commitment of resources.

In addition to the stated objects and activities of the CIO, the Trustees will be turning increased attention over the construction period to planning for the operation and running of the building at completion with a view to opening to the public in the second quarter of 2022.

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30th APRIL 2021**

Reserves Policy

According to the Charity Commissioner's guidance update in their Statement of Recommended Practice: "Accounting and Reporting by Charities" revised in July 2014, the CIO's expendable endowment is not considered part of the charity's free reserves. However, this endowment is a considerable sum, and the capital can be used at the discretion of the Trustees to fund any deficit on expenditure. It is therefore the view of the Trustees that the CIO does not need to hold any additional money in reserve.

Statement of trustees' responsibilities

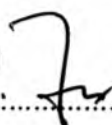
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial period that 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the CIO's constitution. 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 the Trustees on 30/Jul/2021 and signed on their behalf by:

N.J.P. 
.....
Trustee

**THE GILBERT AND GEORGE CENTRE
REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STAUTORY ACCOUNTS OF
THE GILBERT AND GEORGE CENTRE
FOR THE YEAR ENDED 30th APRIL 2021**

In order to assist you to fulfil your duties under the Charities Act 2011, we have prepared for your approval the financial statements of the Gilbert and George Centre for the year ended 30 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the Charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Trustees of The Gilbert and George Centre, as a body, in accordance with the terms of our engagement letter dated 15 July 2020. Our work has been undertaken solely to prepare for your approval the financial statements of The Gilbert and George Centre and state those matters that we have agreed to state to the Board of trustees of The Gilbert and George Centre, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Gilbert and George Centre and its Board of Trustees as a body, for our work or for this report.

It is your duty to ensure that The Gilbert and George Centre has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and net movement in funds of The Gilbert and George Centre. You consider that The Gilbert and George Centre is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Gilbert and George Centre. For this reason, we have not verified the accuracy or completeness of the accounting records or information explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Chartered Accountants

Date: 2 August 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

**THE GILBERT AND GEORGE CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30th APRIL 2021**

	Notes	- Unrestricted Funds - Income Expendable		Total Funds 2021	- Unrestricted Funds - Income Expendable		Total Funds 2020
		£	£	£	£	£	£
Income and Expenditure							
INCOME FROM:							
Donations & legacies:-							
Donations received	2	200	-	200	-	-	-
Investment income	3	21,628	-	21,628	98,129	-	98,129
TOTAL INCOME		21,828	-	21,828	98,129	-	98,129
EXPENDITURE ON:							
Raising funds:-							
Investment Management Costs		-	15,953	15,953	-	21,704	21,704
Charitable activities	4 / 5	11,559	-	11,559	23,378	-	23,378
TOTAL EXPENDITURE		11,559	15,953	27,512	23,378	21,704	45,082
NET OPERATING INCOME/(EXPENDITURE)		10,269	(15,953)	(5,684)	74,751	(21,704)	53,047
OTHER RECOGNISED GAINS/(LOSSES)							
Gains/(losses) on Investments	7	-	608,701	608,701	-	(102,874)	(102,874)
NET INCOME/(EXPENDITURE)		10,269	592,748	603,017	74,751	(124,578)	(49,827)
Gross transfer between Funds	9	-	-	-	-	-	-
NET MOVEMENT IN FUNDS		10,269	592,748	603,017	74,751	(124,578)	(49,827)
RECONCILIATION OF FUNDS							
Total funds brought forward		204,538	11,061,512	11,266,050	129,787	11,186,090	11,315,877
BALANCES CARRIED FORWARD		214,807	11,654,260	11,869,067	204,538	11,061,512	11,266,050

All amounts relate to continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

**THE GILBERT AND GEORGE CENTRE
BALANCE SHEET
AS AT 30th APRIL 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	6	7,958,080	5,716,951
Investments	7	<u>2,759,856</u>	<u>4,151,155</u>
		10,717,936	9,868,106
CURRENT ASSETS			
Cash held at			
C. Hoare & Co.		180,460	256,577
Cazenove		976,203	1,146,467
Debtors	10	<u>348</u>	<u>2,561</u>
		1,157,011	1,405,605
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	11	<u>5,880</u>	<u>7,661</u>
NET CURRENT ASSETS		<u>1,151,131</u>	<u>1,397,944</u>
NET ASSETS		<u><u>11,869,067</u></u>	<u><u>11,266,050</u></u>
FUNDS			
Unrestricted Funds			
Income		214,807	204,538
Expendable Endowment		<u>11,654,260</u>	<u>11,061,512</u>
		<u>11,869,067</u>	<u>11,266,050</u>

Approved by the Trustees and authorised for issue on:

and signed on their behalf by:

30/July/2021
Date

N.J.P. 7
Trustee

**THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 2021**

1 ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity 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), including Update Bulletin 2, and the Charities Act 2011.

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 pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) Fund Structure

Unrestricted funds are those where the donor has not imposed a restriction or preference on use. They can be spent at the discretion of the Trustees in furtherance of the charity's objects.

The Expendable Endowment Fund represents those assets which are held for the longer term of the Trust, in accordance with the terms of the Constitution. Income arising on the Expendable Endowment Fund can be used in the Unrestricted Funds. As an Expendable Endowment Fund can be used in accordance with the objects of the Trust, capital can also be spent in certain circumstances in fulfilment of the Trust's objects. Any capital gains or losses arising on the investments held in the Expendable Endowment Fund form part of that Fund.

(c) Income

All income is recognised in the Statement of Financial Activities (SOFA) when the conditions for receipt have been met and receipt is probable. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to different categories of income:

Grants and Donations Receivable

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

Investment Income

Interest receivable on deposit and securities is accounted for as it accrues. Dividend income receivable on securities is recognised when it is received by the investment managers.

(d) Expenditure

Liabilities are recognised as resources expended 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 Raising Funds

The costs of raising funds consist of investment management fees and certain legal fees.

Charitable Activities

Donations payable are recognised when they are approved by the trustees and the recipient of the grant has been informed of the amount to be paid.

Governance Costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examiners fees together with support costs.

**THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 2021**

1 ACCOUNTING POLICIES (Continued)

(e) Fixed Assets

Freehold land and buildings are included in the financial statement at open market value, as will be determined periodically by professional valuers. They are not depreciated as their residual values are not materially different from carrying values included in the accounts.

Investments are stated at market value at the Balance Sheet date. The SOFA includes the net gains and losses on revaluation and disposals throughout the year.

(f) 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 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).

(g) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including Covid-19, that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(h) Financial instruments

The charity 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 charity's balance sheet when the charity 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 realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 10 and 11 for the debtor and creditor notes.

(i) 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.

(k) Key Estimates and 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 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.

THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th APRIL 2021

2 DONATIONS RECEIVED

Donations totalling £200 were received from Gilbert & George Limited in the financial year ended 30th April 2021 (2020: £nil). Gilbert Prousch and George Passmore are Directors of Gilbert and George Limited as well as being Trustees of the Gilbert and George Centre.

3 INVESTMENT INCOME

	2021 £	2020 £
Investment income	21,138	97,328
Interest on cash deposits	490	801
	<u>21,628</u>	<u>98,129</u>

4 CHARITABLE ACTIVITIES

	2021 £	2020 £
Grants made to individuals	-	8,000
Support costs (see note 5)	11,559	15,378
	<u>11,559</u>	<u>23,378</u>

5 SUPPORT COSTS

	2021 £	2020 £
Rates & water	239	457
Light & heat	2,581	1,201
Repairs & maintenance	540	468
Insurance	1,811	1,563
Legal & professional fees	75	3,120
Finance costs	433	55
Governance Costs		
Moore Kingston Smith Independent Examiner's fee:		
Current year	-	3,034
Prior year under accrual	-	900
Whitefield Co. Accountancy Fees	3,480	3,480
Moore Kingston Smith Accountancy Fees	2,400	1,100
	<u>11,559</u>	<u>15,378</u>

Note: The CIO has no employees of its own.

THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th APRIL 2021

6 TANGIBLE FIXED ASSETS

	2021	2020
	Freehold	Freehold
	Land and	Land and
	Buildings	Buildings
Cost/Market Value	£	£
At 1st May	5,716,951	5,293,830
Building improvements	<u>2,241,129</u>	<u>423,121</u>
At 30th April	<u>7,958,080</u>	<u>5,716,951</u>

The freehold and building at 5A Hencage Street, London, E1 5LJ, was purchased in the 2016 financial year and no subsequent professional valuation has been sought. The trustees do not believe the fair value of the property is significantly different to its balance sheet value.

7 FIXED ASSET INVESTMENTS

Movement in fixed asset investments

	2021	2020
	£	£
Listed investments		
Market Value Brought Forward	4,151,155	4,106,647
Add : Purchase costs	-	4,882,932
Less: Sale proceeds	(2,000,000)	(4,735,550)
Realised gains	158,657	314,363
(Losses) on revaluation	<u>450,044</u>	<u>(417,237)</u>
Market Value of Investments	<u>2,759,856</u>	<u>4,151,155</u>
Historical cost	<u>2,426,793</u>	<u>4,268,136</u>
Geographical Analysis		
United Kingdom investments	2,759,856	2,819,334
Overseas investments	<u>-</u>	<u>1,331,821</u>
	<u>2,759,856</u>	<u>4,151,155</u>

8 REMUNERATION OF TRUSTEES

In the financial year ended 30th April 2021, none of the Trustees received any remuneration from the Charity (2020: £Nil). No Trustee received any reimbursement of expenses in the year under review (2020: £Nil).

9 FUND TRANSFERS

No transfer between funds was made in 2021 (2020: no transfer between funds).

10 DEBTORS

	2021	2020
	£	£
Prepayments	<u>348</u>	<u>2,561</u>
	<u>348</u>	<u>2,561</u>

THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th APRIL 2021

11 CREDITORS

	2021 £	2020 £
Accruals	<u>5,880</u>	<u>7,661</u>
	<u><u>5,880</u></u>	<u><u>7,661</u></u>

12 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted income fund £	Expendable Endowment £	Total £
As at 30 April 2021			
Tangible fixed assets	-	7,958,080	7,958,080
Investments	-	2,759,856	2,759,856
Current assets	220,687	936,324	1,157,011
Current liabilities	<u>(5,880)</u>	<u>-</u>	<u>(5,880)</u>
	<u><u>214,807</u></u>	<u><u>11,654,260</u></u>	<u><u>11,869,067</u></u>
	Unrestricted income fund £	Expendable Endowment £	Total £
As at 30 April 2020			
Tangible fixed assets	-	5,716,951	5,716,951
Investments	-	4,151,155	4,151,155
Current assets	212,199	1,193,406	1,405,605
Current liabilities	<u>(7,661)</u>	<u>-</u>	<u>(7,661)</u>
	<u><u>204,538</u></u>	<u><u>11,061,512</u></u>	<u><u>11,266,050</u></u>

13 CAPITAL COMMITMENTS

The Charity had contracted commitments at 30 April for future capital projects totalling £927,633 (2020: £nil).