

THE GILBERT AND GEORGE CENTRE
REGISTERED CHARITY NUMBER: 1174981

REPORT AND FINANCIAL STATEMENTS

for the year ended 30th April 2022

**THE GILBERT AND GEORGE CENTRE
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**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30th APRIL 2022**

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 1 London Wall Place London EC2Y 5AU
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 6th Floor 9 Appold Street London, EC2A 2AP

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT CONTINUED
FOR THE YEAR ENDED 30th APRIL 2022**

Report of the Trustees for the year ended 30th April 2022

The Trustees present their report along with the financial statements of the charity for the year ended 30th April 2022. 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 and gallery.

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's focus during the year was the conversion of the freehold property at Heneage Street to establish a museum and art gallery open to the public.

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 a number of new grants during the year.

The Trustees continued to focus full attention during the year on the renovation and conversion of the freehold property at 5a Heneage Street, London that was purchased in 2015.

The building work commenced in 2020 and was originally scheduled to complete in December 2021. The project has progressed as designed but various complications arising from the general state of the construction market have resulted in the planned completion date being missed. The building is now expected to be ready for occupation towards the end of 2022 and open to the public in early 2023.

The financial implications of the project have been substantially de-risked through the contract entered into with the main contractor coupled with close supervision and control of all additional expense items arising as the build progresses. At all stages the charity has had sufficient resources to not only complete the project but open the building to visitors.

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT CONTINUED
FOR THE YEAR ENDED 30th APRIL 2022**

The Trustees have also been actively involved in planning for the next phase of staffing and running the gallery. In September 2021 the charity appointed its first employee with the hiring of an Operations Manager as part of the original plan to open to the public in the second quarter of 2022. An Operations Assistant was added to the payroll but only in April 2022 as it became clear the original planned opening would not be achieved. No further additions to the full-time staff are currently planned although there will be a requirement for a small number of additional staff to man the gallery exhibition rooms during opening hours.

Despite the building handover being delayed, the Trustees and staff have used the additional time pro-actively to plan and prepare for opening. The opening exhibition has been agreed and many other key decisions taken including infrastructure formation, policies and procedures finalising, press and PR strategy, website design implementation, IT environment formulation plus shop and merchandise design.

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 continues to be carefully controlled and there should be no unexpected items of significance.

Financial Review

Total investment income during the year amounted to £8,637 (2021: £21,628). Total expenditure amounted to £76,250 (2021: £27,512). The founders donated a further £425,000 to the charity in the year under review (2021: £200) and net inflow of funds after recognised gains and losses amounted to £383,131 (2021: £603,017). 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 £529,261 (2021: £2,759,856). During the year the charity made net investment sales of £2,250,000 (2021: £2,000,000) to finance the expenditure on the property at 5a Heneage Street. During the year the charity received investment income of £8,637 (2020: £21,628) and the portfolio made net gains on revaluation of £19,405 (2021: £608,701).

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.

All major design and planning milestones have been passed and construction work has been underway since June 2020. Whilst the original planned completion date of December 2021 has been missed, the work is expected to complete in December 2022. 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 continue to focus closely on the post-construction life of staffing, operating and running the gallery with a view to opening to the public in the early part of 2023.

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 Trust'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 Trust does not need to hold any additional money in reserve.

**THE GILBERT AND GEORGE CENTRE
TRUSTEES' ANNUAL REPORT CONTINUED
FOR THE YEAR ENDED 30th APRIL 2022**

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 Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on:

and signed on their behalf by:

15TH DECEMBER 2022 Date

N. J. P. Trustee

THE GILBERT AND GEORGE CENTRE
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30th APRIL 2022

I report to the trustees on my examination of the accounts of the Gilbert & George Centre (the charity) for the year ended 30 April 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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



James Cross FCA
for and on behalf of
Moore Kingston Smith LLP
Chartered Accountants

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 15 December 2022

**THE GILBERT AND GEORGE CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30th APRIL 2022**

	Notes	- Unrestricted Funds - Income	Expendable Endowment	Total Funds 2022	- Unrestricted Funds - Income	Expendable Endowment	Total Funds 2021
		£	£	£	£	£	£
Income and Expenditure							
INCOME FROM:							
Donations & legacies:-							
Donations received	2	6,339	425,000	431,339	200	-	200
Investment income	3	8,637	-	8,637	21,628	-	21,628
TOTAL INCOME		14,976	425,000	439,976	21,828	-	21,828
EXPENDITURE ON:							
Raising funds:-							
Investment Management Costs		-	5,858	5,858	-	15,953	15,953
Charitable activities	4 / 5	70,392	-	70,392	11,559	-	11,559
TOTAL EXPENDITURE		70,392	5,858	76,250	11,559	15,953	27,512
NET OPERATING INCOME/(EXPENDITURE)		(55,416)	419,142	363,726	10,269	(15,953)	(5,684)
OTHER RECOGNISED GAINS/(LOSSES)							
Gains/(losses) on Investments	7	-	19,405	19,405	-	608,701	608,701
NET INCOME/(EXPENDITURE)		(55,416)	438,547	383,131	10,269	592,748	603,017
Gross transfer between Funds	9	-	-	-	-	-	-
NET MOVEMENT IN FUNDS		(55,416)	438,547	383,131	10,269	592,748	603,017
RECONCILIATION OF FUNDS							
Total funds brought forward		214,807	11,654,260	11,869,067	204,538	11,061,512	11,266,050
BALANCES CARRIED FORWARD		159,391	12,092,807	12,252,198	214,807	11,654,260	11,869,067

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 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible fixed assets	6	13,468	-
Tangible fixed assets	7	11,010,831	7,958,080
Investments	8	<u>529,261</u>	<u>2,759,856</u>
		11,553,560	10,717,936
CURRENT ASSETS			
Cash held at			
C. Hoare & Co.		209,319	256,577
Cazenove		511,225	976,203
Metro		14,717	-
Debtors	11	<u>55</u>	<u>348</u>
		735,316	1,233,128
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	12	<u>36,678</u>	<u>5,880</u>
NET CURRENT ASSETS		<u>698,638</u>	<u>1,227,248</u>
NET ASSETS		<u><u>12,252,198</u></u>	<u><u>11,945,184</u></u>
FUNDS			
Unrestricted Funds			
Income		159,391	214,807
Expendable Endowment		<u>12,092,807</u>	<u>11,654,260</u>
		<u><u>12,252,198</u></u>	<u><u>11,869,067</u></u>

Approved by the Trustees and authorised for issue on:

and signed on their behalf by:

15TH DECEMBER 2022
Date

N.J.P. Fox
Trustee

**THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 2022**

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 2022**

1 ACCOUNTING POLICIES (Continued)

(e) Intangible Fixed Assets

Intangible fixed assets are initially measured at cost and subsequently at cost less amortisation and any impairment losses. Amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

Website development costs	33% straight line
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(f) Tangible 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.

Other Tangible Fixed Assets are initially measured at cost and subsequently at cost less depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures and Fittings	20% reducing balance
Equipment	33% straight line

(g) Investments

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.

(h) 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).

(i) 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.

(j) 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.

(k) 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.

(l) 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 2022

2 DONATIONS RECEIVED

Donations totalling £425,000 were received from Gilbert & George Limited in the financial year ended 30th April 2022 (2021: £200). Gilbert Prousch and George Passmore are Directors of Gilbert and George Limited as well as being Trustees of the Gilbert and George Centre.

Other Donations totalling £6,339 (including £2,177 of furniture) were also received from various donors in the year.

3 INVESTMENT INCOME

	2022	2021
	£	£
Investment income	8,371	21,138
Interest on cash deposits	267	490
	<u>8,637</u>	<u>21,628</u>

4 CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs (see note 5)	27,300	-
Support costs (see below)	43,092	11,559
	<u>70,392</u>	<u>11,559</u>

Support costs are split as follows:

	2022	2021
	£	£
Rates & water	679	239
Light & heat	7,320	2,581
Repairs & maintenance	4,960	540
Insurance	1,942	1,811
Legal & professional fees	11,559	75
Finance costs	581	433
Computer costs	2,143	-
Depreciation	3,575	-
Amortisation	1,124	-
Other office costs	449	-
Governance Costs		
Moore Kingston Smith Independent Examiner's fee:		
Current year	3,960	2,400
Whitefield Co. Accountancy Fees	4,800	3,480
	<u>43,092</u>	<u>11,559</u>

5 STAFF COSTS

	2022	2021
	£	£
Salaries, National Insurance and Pension costs	27,300	-
	<u>27,300</u>	<u>-</u>

The average number of employees for 2022 is 1 (2021: 0).

THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th APRIL 2022

6 INTANGIBLE FIXED ASSETS

	Website Development £	Total £
Cost/Market Value		
Brought Forward	-	-
Additions	14,592	14,592
At 30 April 2022	14,592	14,592
Amortisation		
Brought Forward	-	-
Charge for the period	1,124	1,124
At 30 April 2022	1,124	1,124
Net Book Value		
At 30 April 2022	13,468	13,468
At 30 April 2021	-	-

7 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
Cost/Market Value				
Brought Forward	7,958,080	-	-	7,958,080
Additions	2,993,726	48,977	13,623	3,056,326
At 30 April 2022	10,951,806	48,977	13,623	11,014,406
Depreciation				
Brought Forward	-	-	-	-
Charge for the period	-	1,560	2,015	3,575
At 30 April 2022	-	1,560	2,015	3,575
Net Book Value				
At 30 April 2022	10,951,806	47,417	11,608	11,010,831
At 30 April 2021	7,958,080	-	-	7,958,080

The freehold and building at 5A Heneage Street, London, E1 5LJ, was purchased in the 2016 financial year and no subsequent professional valuation has been sought. The property is being converted into a museum and gallery space and therefore no depreciation is provided.

8 FIXED ASSET INVESTMENTS

Movement in fixed asset investments

	2022 £	2021 £
Listed investments		
Market Value Brought Forward	2,759,856	4,151,155
Add : Purchase costs	-	-
Less: Sale proceeds	(2,250,000)	(2,000,000)
Realised gains	288,279	158,657
(Losses) on revaluation	(268,874)	450,044
Market Value of Investments	<u>529,261</u>	<u>2,759,856</u>
Historical cost	<u>465,072</u>	<u>2,426,793</u>

THE GILBERT AND GEORGE CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th APRIL 2022

Geographical Analysis

United Kingdom investments	529,261	2,759,856
Overseas investments	-	-
	<u>529,261</u>	<u>2,759,856</u>

9 REMUNERATION OF TRUSTEES

In the financial year ended 30th April 2022, none of the Trustees received any remuneration from the Charity (2021: £Nil).
No Trustee received any reimbursement of expenses in the year under review (2021: £Nil).

10 FUND TRANSFERS

No transfer between funds was made in 2022 (2021: no transfer between funds).

11 DEBTORS

	2022 £	2021 £
Prepayments	55	348
	<u>55</u>	<u>348</u>

12 CREDITORS

	2022 £	2021 £
Accruals	36,678	5,880
	<u>36,678</u>	<u>5,880</u>

13 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted income fund £	Expendable Endowment £	Total £
As at 30 April 2022			
Tangible fixed assets	-	11,024,299	11,024,299
Investments	-	529,261	529,261
Current assets	196,069	539,247	735,316
Current liabilities	(36,678)	-	(36,678)
	<u>159,391</u>	<u>12,092,807</u>	<u>12,252,198</u>
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	(5,880)	-	(5,880)
	<u>214,807</u>	<u>11,654,260</u>	<u>11,869,067</u>

14 CAPITAL COMMITMENTS

The Charity had contracted commitments at 30 April for future capital projects totalling £562,436 (2021: £927,633).