

# ROYAL BIRMINGHAM SOCIETY OF ARTISTS

England & Wales · Charity number 528894

## Details

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**Other names** R B S A, RBSA

**Status** Registered

**Legal form** Charitable company

**Company number** [00122616](#)

**Registered** 1969-06-02

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 4 Brook Street  
Birmingham  
B3 1SA

**Phone** 01212364353

**Email** [rbsagallery@rbsa.org.uk](mailto:rbsagallery@rbsa.org.uk)

**Website** [www.rbsa.org.uk](http://www.rbsa.org.uk)

## Activities

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**Objects:** TO ADVANCE THE PUBLIC EDUCATION IN AND THE PRACTICE OF ART AND IN PARTICULAR THE ARTS OF PAINTING, SCULPTURE CERAMICS AND ARCHITECTURE AND OTHER ALLIED ARTS AND CRAFTS. TO ADVANCE THE IMPROVEMENT OF THE PRACTICE OF THE FINE ARTS, MORE ESPECIALLY IN BIRMINGHAM AND THE SURROUNDING DISTRICT.

**Activities:** To advance the public education in the practice of fine arts and other allied arts and crafts through the maintenance of the RBSA Gallery as a venue for the organisation of exhibitions and events. To develop and maintain a permanent collection to support and enhance these activities.

## Classification

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- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

## Geography

- **Area of benefit:** GALLERIES AT 69A NEW STREET, BIRMINGHAM 2.
- Birmingham City

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£207,212	£189,107	-	-
2023-12-31	£159,865	£204,077	-	-
2022-12-31	£236,196	£231,880	-	-
2021-12-31	£235,467	£144,906	-	-
2020-12-31	£182,640	£165,135	-	-

## Trustees

Name	Role	Appointed
ALISTAIR VIVIAN ASTLING		2011-05-16
Catherine Staveley		2023-04-30
Charles Weston		2024-04-28
Chris Tkacz		2023-04-30
Ed Isaacs		2025-04-27
Edward Isaacs		2025-04-27
Linda Barlow		2024-04-28
Patrick Thomas O'Donohue		2026-04-28
Ryan Everson		2022-04-24
Simon Conolly		2024-04-28
Wendy Geraldine Higgins		2026-04-28

**ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

England & Wales - Charity number 528894

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# Accounts

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**REGISTERED COMPANY NUMBER: 00122616 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 528894**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
FOR  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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The trustees, some of whom are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

##### Purposes and aims

The Society's objectives focus on the education of the public in the practice of the visual arts and to advance the improvement of the practice of all aspects of the visual arts.

Our aim as an artist-led charity is to facilitate the creation and sharing of excellence. We achieve this by supporting artists in the development of their practice, by encouraging participation in creative arts activities to develop future generations of artists, by promoting our artistic programme in our own Gallery so it can be enjoyed by the widest audiences, and by providing interpretation and events to help our audiences develop their knowledge, understanding and enjoyment of the visual arts.

##### Significant activities

We deliver an inclusive artistic programme at the RBSA Gallery which includes major exhibitions of artwork by Members and Associates as well as Graduate members, plus maintaining a Friends Organisation, Open/Prize Entry exhibitions (both open to non-members), gallery hire by RBSA artists or groups external to the RBSA, solo shows for members and curated displays from the RBSA Collection. All exhibitions are supported by free events such as gallery talks, guided tours, occasional art demonstrations and a comprehensive programme of workshops for adults. Our Craft Shop, which can be viewed online, showcases UK based designer-makers, many of whom are based in the Jewellery Quarter or the wider West Midlands.

The Society can trace its origins back to 1814 and cherishes its heritage. We care for and promote our historic Archive and Collection of artworks predominantly by RBSA members which reflects that heritage. We have been an Accredited Museum since 2006, and that Accreditation was renewed for five years in November 2022. The Collection and Archive now comprises over 1,000 items and is managed by a dedicated Volunteer Archive Team offering intergenerational learning and work experience opportunities including for students.

We recognise the valuable work undertaken by Nigel Priddey RBSA, as our Archive Officer, who for several years has managed the RBSA Permanent Collection. Sadly, he resigned in 2024, as he is relocating to another part of the country and will be greatly missed. We are most grateful for his contribution. We are also to lose the services and encyclopaedic knowledge of RBSA Professor of Art History, Brendan Flynn. He has had a connection to the Society for a number of decades and has brought much enthusiasm and expertise to the Society in his current role as one of our Professors. Brendan played a key curatorial role at both Birmingham and Wolverhampton Art Galleries by enhancing their permanent collections. The Council is recommending that Brendan Flynn be elected as an Honorary Member.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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#### OBJECTIVES AND ACTIVITIES

##### Public benefit

##### Ensuring our work delivers our aims

We regularly review our aims, objectives and activities at the RBSA Council meetings. In November 2022, we reviewed the Strengths, Weaknesses, Opportunities and Threats to the Society. As a result of this we identified some priorities which we continued to work on in 2024. We are particularly concerned about raising the visibility of the Society in the City and making effective partnerships with some other leading arts organisations including the Birmingham Royal Ballet and the Royal Birmingham Conservatoire. Both venues have hosted drawing sessions for our members. We extended those partnerships to the Birmingham Contemporary Music Group and the City of Birmingham Symphony Orchestra during 2024. We hope that these contacts will lead to an Exhibition in the RBSA Gallery and elsewhere capturing the vibrancy of other art forms in the city. Our social media activity has increased our profile over the year which with other measures has increased our exposure to groups who may not have accessed the Gallery previously (see below). The Trustees feel we have made good progress in attracting a more diverse and younger audience to the Gallery but recognises there is much more to be done.

In 2023, as part of this drive, the Council approved the appointment of 15 recent graduates to be Graduate members of the Society with a tenure of 3 years free of charge. This enables them to enjoy many of the benefits of membership. They are free to develop their practice and show their work alongside the membership. Thanks to a local charity we are able to offer the Graduates some regular support. We also discount the entry fees and other charges of all those under 35 years of age by 50% to encourage submissions from younger artists as part of our public benefit programme.

We have maintained good contact with all but one of the Graduates, and they are to have an exhibition in the Autumn 2025. During 2024, the audiences at our Private Views have notably increased, with many younger artists attending to view their work in exhibitions, and many of these artists represent a much more diverse range of artforms and artistic backgrounds. We have also invited higher profile guests to open our exhibitions, including the President of the Royal Society of British Artists, Michael Harrison RBA and the leading contemporary artist, David Shrigley OBE. On the back of this, we have had two full page articles in the Birmingham Post, alongside publicity from a range of independent online and hard copy publications, including variety of articles in Artefacts Magazine, throughout the year.

We have attempted to invite a wider range of judges to select work for our Open/Prize Exhibitions, such as Prof. Jennifer Powell, Director of The Barber and David Ferry, President of the Painter-Printmaker Society at Bankside, which in turn has attracted artists from more diverse backgrounds. With the support of an RBSA Member, we have been able to offer a Student/Under 35 Prize for RBSA exhibitions in 2024, which has helped encourage younger entrants in our Open Calls.

The Gallery operates the 'Own Art' scheme whereby visitors can purchase artwork over 10 months at 0% interest. This makes purchasing artworks easier for those on a tight budget. We are still seeing healthy receipts through our cash and donation tap machine by way of public donations. The Council are still focussed on developing current and new income streams in the future. Income from entry submissions from Open/Prize exhibitions has been increasing due to effective social media activity, an improved website, and positive experiences from those who have engaged with the Society.

##### Volunteers

We are pleased to report that during 2024, some 70 volunteers assisted the Society in one form or another including in the Archive, receiving and hanging Exhibitions as well as 40 members and friends covering 152 stewarding sessions at weekend. We are most grateful to all of our volunteers without whom the Gallery could not open on Saturdays and whose presence enriches the visitor experience and public benefits. We extended the opening hours of the Gallery to include Sundays during much of the Summer, to see if we would gain greater visitor numbers and increased sales, but this was of limited value. The Jewellery Quarter continues to remain quiet on Sundays, and we will not be repeating the exercise in 2025. This may be revisited in the future if the JQ offering improves.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### How our activities deliver public benefit

All of our charitable activities focus on our ability to maintain a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts. The Gallery is a unique venue in the City as artists are able to submit their work for selection and be shown at a public gallery.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

##### Achievements

Notable achievements during the year ended 31 December 2024 included the following.

We staged 10 RBSA sponsored exhibitions including our Biennial Print Prize Exhibition and our Portrait Exhibition including photography for the first time. The Permanent Collection was the source of two of these exhibitions. The 2024 Friends Exhibition was particularly very well supported, with the introduction of a catalogue to accompany the exhibition, featuring every piece of artwork in the show. For RBSA sponsored exhibitions, 1,576 artists entered with 3,188 artworks. Of these, 732 artists were successful, with 1,139 works selected. Artists under 35 years entered 319 works.

We also arranged 6 private hires of the gallery during the year, including the British Society of Enamellers and a very popular Photographic exhibition featuring the work of photographer Phil Loach, which was opened by the Mayor of the West Midlands, Andy Street. Birmingham Art Circle maintained their support of the Gallery with their annual show and Greenwood Presents hired the gallery for the second time celebrating artwork by diverse communities in Birmingham. Our thanks to all our hirers for their support. The Gallery sold 181 artworks over the year amounting to just over £48k. In 2024 we saw the introduction of artist statements that accompany the artwork in the gallery. It is an important development in our approach to exhibitions and has been well received very favourably by visitors. Artists also relish the opportunity to explain their work, concepts, and methods, and thus make a connection with the viewer.

In addition, 22 RBSA artists had a solo exhibition in the Ground Floor spaces. These exhibitions gave all artists a high-profile opportunity to show the development of their practice and an occasion to talk about their work. We also allocated space on the Ground Floor to two Prize winners from Birmingham City University and the winner of the 2023 Photographic Prize.

Artwork sales in 2024 rose by over 20% upon the previous year. The gallery sold 214 artworks in 2024 year, amounting to just over £55,000. This is compared to 120 exhibition artworks, with an additional 57 ground floor sales sold in 2023, which amounted to £45,000.

Our Workshop Programme consisted of 34 sessions in 2024, (31 in 2023), with 185 participants (165 in 2023). We are establishing a trend of Gallery Talks at 2pm on Saturdays, whereby a range of artists talk about their work on show and take questions from visitors.

In 2024, the Friends Membership programme included Drawing Days and Artist-Led Appraisals, led by RBSA Members and the annual Friends Exhibition was accompanied by Artists Talking Events. This programme of activities is designed to help the Friends to further their practice, connect with other artists in the Society, and progress to RBSA Associate Membership, (should they wish to do so), and appears to be largely succeeding in meeting these objectives. We currently have about 340 RBSA Friends with whom we are in touch with on a regular basis.

The Gallery attracted 13,856 visitors in 2024, (12,864 in 2023), a 12% increase. We were able to continue school visits with 147 children from 9 schools and we maintained good relationships with Margaret Street College of Art and Birmingham City University, with their students visiting the Gallery during the year.

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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We continued to focus on increasing our social media presence on Facebook and can report that the number of followers increased over the year to 4,448, an 8% increase year-on year. Instagram followers swelled from 8,668 to 14,212 in 2024. This is by far our most valuable marketing tool and has helped increase engagement with a younger and more diverse audience. This has resulted in a rise in entries for our Open Exhibitions, significantly shifting the diversity of the artists with whom we engage. We have both a 'Art Blog' and an 'In the Press' page on our website, which allows those not on social media to gain an insight into current and past RBSA activities. The website online shop enables us to generate additional sales income. Significant changes were made to the design of website in 2024, making it visually more engaging and improving its navigation and functionality. The Society, rather than just the Gallery, has been given greater importance in the updated version. More than 54,000 new users were logged as a result of search engine enquiries (up 2% on 2023).

November 2023 saw the production of the first fully illustrated catalogues for all the RBSA sponsored Exhibitions. A copy of all the catalogues is entered in the RBSA Archives. For the Annual Exhibition, featuring the work of Members and Associates, a catalogue was given free of charge to all exhibiting artists and was on sale to the general public. As well as recording every work in the show, there is an In Memoriam section to record members who died during the year and a complete record of the Members, Associate and Graduates of the Society as well as the Honorary Members, thus providing an important record for the future. These have proved to be very popular, and most editions have sold out. We embarked on a collaboration with Fuji Film in the Summer of 2024, whereby all the Summer Show catalogues were printed at Drupa in Germany and shipped back to the UK for the opening night and completely free of charge. We gained extensive social media coverage from Fuji Film and interviews with the Director were circulated on their social media pages, as well as those of the RBSA. These catalogues sales saw a revenue income worth over £1,700. We will continue to print catalogues to accompany RBSA exhibitions in 2025 and it offers a potential opportunity for future catalogue sponsorship.

#### REFURBISHMENT OF THE BUILDING

The Society own the freehold of the Gallery in Brook Street, Birmingham. It was refurbished and remodelled in 2022. This project has been an outstanding success as the Gallery is now a contemporary space with clean lines. The new entrance and re-purposed Ground Floor layout continues to make an immediate impression on visitors. For artists the consistent feedback is that this is a venue that they like to see their work displayed and what a unique venue and organisation the RBSA is in the Midlands.

#### FINANCIAL REVIEW

##### Financial position

The Statement of Financial Activities on page 13 of the financial statements shows that for the year ended 31 December 2024 the charity made a surplus, after recognising net investment gains and losses, totalling £5,492 (2023 - incurred a deficit, after recognising investment gains and losses totalling £44,448).

As a result, the total net assets of the charity have increased from £661,567 as at 31 December 2023 to £667,059, as at 31 December 2024.

##### Investment policy and objectives

The charity has a small investment portfolio and the charity's Trustees have a policy of exploring and considering appropriate ways of investing reserves so as to increase income without exposing the charity to undue risks.

The total investment income received by the charity from the increased during the year ended 31 December 2024 compared to the year ended 31 December 2023 to £8,035 and this included £7,300 interest receivable. The market value of the investment portfolio also increased by £1,788 - see notes 5 and 14 to the financial statements for more detail.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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#### FINANCIAL REVIEW

##### Reserves policy

Our risk assessment has highlighted that we need to monitor our cash position carefully. This has been a year of recovery and the Council received regular short-term forecasts and monitored carefully expenditure and income against our 2024 Budget.

On the current basis, our policy has been to fix the figure of £60,000 as a level at which the Council would have to consider serious action to reduce the operation of the Society's Gallery. The Trustees consider this figure to be a reasonable estimate of the cost of mothballing the Gallery and winding down the staff requirement. As last year, we consider that sum (or a more accurate estimate should it be calculated known as "The Designated Reserve Fund") should be deducted from the free reserves figure to show a more realistic picture of our financial situation. This reserves policy was adopted in 2018.

A "Designated Repairs Fund" was created in 2018 to ensure that the fabric of the building is properly maintained in the future, and this currently stands at £50,000 - see Note 19 to the Accounts.

##### Going concern

The pandemic and the lockdowns challenged the organisation at the time. That is thankfully now in the past and our activities have now resumed but with an improved online presence. In 2023 we appointed an RBSA Director who has the remit to focus on the Society's viability. This has proved a successful decision, and the Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

#### FUTURE PLANS

For 2025, we will be hosting another year of high-quality exhibitions starting with a Friends Exhibition in January over two Galleries to take account of the increased level of activity amongst the Friends. Following that, we will showcase our Photographic Prize Exhibition. Later in the year, after the Candidates Exhibition, we will be hosting the Society of Botanical Artists for the first time, as well as our very successful Drawing Prize, followed by the Summer Exhibition. The Watercolour Prize will open in August, and we will host a solo exhibition by Curtis Holder, winner of the Sky Arts Portrait Artist of the Year (2022) and The John Ruskin Prize in 2024. Towards the end of the year, we welcome for the first time the Royal Society of Painter-Printmakers and will conclude our program of exhibitions with our RBSA Annual Exhibition.

We will also be hosting solo shows on the Ground Floor and other group and solo gallery hires during the year. There will be three separate sets of Workshops in the Spring, Summer and Autumn covering a very wide range of topics and led mostly by our members. We aim to animate the Gallery further with talks and activities particularly on Saturdays to consolidate our education programme.

The Council is taking all opportunities to capitalise on fundraising activities including a studio sale in early 2025 and a postcard sale later in the year as well applying to trusts and foundations for support of the RBSA.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is a company limited by guarantee and was incorporated on 15 June 1912. The charity is governed by a Memorandum and Articles of Association. The Articles have recently been reviewed as we reported in the 2023 Annual Report.

None of the Trustees has a beneficial interest in the charitable company. All of the Trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Recruitment and appointment of new trustees

The Officers and voting members of the Council, being the Trustees, are elected from the Society's 180 or so Members and Associates and are responsible for the governance and management of the Society.

In December 2024, there were 130 Members, 48 Associates, and 15 Graduates in the Membership.

At the AGM on 30 April 2024, Viv Astling was re-elected President for a third year. Hannah Northam and Vivienne Cawson were re-elected Vice Presidents, Andrew Matheson was re-elected to the post of Hon Treasurer and Rob Leckey was re-elected to the office of Honorary Secretary. Simon Conolly was elected Honorary Curator. Ed Isaacs, Charles Weston and Ryan Everson were elected Member Reps and Kate Sawbridge and Linda Barlow were elected to the Council as Associates Reps.

##### Organisational structure and Gallery Director

In the opinion of the Trustees the key management personnel responsible for the direction, control, running and operation of the Society are the Officers and the Council to whom the RBSA Director reports regularly.

The Council met on 6 occasions during the year ended 31 December 2024.

Permanent staff at the end of the year comprise the RBSA Director, Marketing Manager, Exhibitions Coordinator, with two Front of House & Sales Assistants to cover weekdays and Saturdays and a freelance Accountant. The Learning post has been left vacant on the grounds that there is no funding available.

##### Induction and training of new trustees

New Trustees are briefed on their legal obligations under charity law, the contents of the Society's Memorandum and Articles of Association, the Committee and decision-making processes and the recent financial performance of the Society. They are directed to the Charity Commission's note CC3a on the role of the Trustee to guide them in their work on the Council. We are planning training to improve our awareness of diversity, equality and inclusion issues.

##### Key management remuneration

The average number of employees for the year is listed as per note 12 to the financial statements. Their remuneration is reviewed annually, and any increase is based on the state of the charity's finances and its ability to pay now and in the future, the importance of retaining key staff, the requirement to meet statutory wage conditions and increases in the current cost of living.

##### Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year.

None of the Trustees claimed any expenses as is confirmed in note 12 to the financial statements.

##### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks that the Society faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. Risk Assessments have also been compiled by the Gallery Director highlighting the risks to the Society of operating the Gallery at the time of a pandemic and the ways such risks can be mitigated.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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#### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

00122616 (England and Wales)

**Registered Charity number**

528894

**Registered office**

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

**Council Members**

V Astling OBE	President	Re-elected 28 April 2024
V Cawson	Vice President	Re-elected 28 April 2024
H Northam	Vice President	Re-elected 28 April 2024
R Leckey	Honorary Secretary	Re-elected 28 April 2024
A Matheson	Honorary Treasurer	Re-elected 28 April 2024
S Conolly	Honorary Curator	- elected 28 April 2024
E Isaacs		- elected 28 April 2024
R Everson		- elected 30 April 2023
C Weston		- elected 28 April 2024
C Tkacz		- elected 30 April 2023
Past Presidents under Article 32		- ex-officio

**Associate Representatives**

L Barlow	- elected 28 April 2024
K Sawbridge	- elected 28 April 2024
O Swinscoe	- co-opted 17 August 2021

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees some of whom are directors (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
  - observe the methods and principles in the Charity SORP;
  - make judgements and estimates that are reasonable and prudent;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
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**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

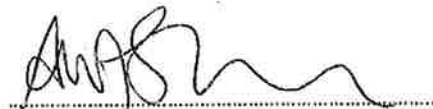
In so far as the trustees are aware:

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

**AUDITORS**

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 March 2025 and signed on its behalf by:



V Astling OBE PRBSA – Chair of the Trustees



A Matheson RBSA – Hon Treasurer

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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### Opinion

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith FCA (Senior Statutory Auditor)  
for and on behalf of J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

Date: 28 March 2025

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted funds £	<b>2024 Total funds £</b>	2023 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	3	<b>29,525</b>	<b>6,750</b>	<b>36,275</b>	25,987
<b>Charitable activities</b>					
Operation of gallery	6	<b>106,307</b>	-	<b>106,307</b>	81,121
Other trading activities	4	<b>56,595</b>	-	<b>56,595</b>	50,061
Investment income	5	<b>8,035</b>	-	<b>8,035</b>	2,696
<b>Total</b>		<b><u>200,462</u></b>	<b><u>6,750</u></b>	<b><u>207,212</u></b>	<b><u>159,865</u></b>
<b>EXPENDITURE ON</b>					
Raising funds		<b>1,860</b>	-	<b>1,860</b>	1,092
<b>Charitable activities</b>					
Operation of gallery	7	<b><u>194,898</u></b>	<b><u>6,750</u></b>	<b><u>201,648</u></b>	<b><u>202,985</u></b>
<b>Total</b>		<b><u>196,758</u></b>	<b><u>6,750</u></b>	<b><u>203,508</u></b>	<b><u>204,077</u></b>
Net gains/(losses) on investments		<b><u>1,788</u></b>	-	<b><u>1,788</u></b>	<b><u>(236)</u></b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>5,492</b>	-	<b>5,492</b>	<b>(44,448)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<b><u>659,687</u></b>	<b><u>1,880</u></b>	<b><u>661,567</u></b>	<b><u>706,015</u></b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>665,179</u></b>	<b><u>1,880</u></b>	<b><u>667,059</u></b>	<b><u>661,567</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)**

**BALANCE SHEET  
31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	489,549	-	489,549	503,280
Investments	14	19,639	-	19,639	17,851
		<b>509,188</b>	<b>-</b>	<b>509,188</b>	521,131
<b>CURRENT ASSETS</b>					
Stocks	15	1,550	-	1,550	2,179
Debtors	16	12,916	-	12,916	9,438
Cash at bank		194,136	1,880	196,016	172,657
		<b>208,602</b>	<b>1,880</b>	<b>210,482</b>	184,274
<b>CREDITORS</b>					
Amounts falling due within one year	17	(52,611)	-	(52,611)	(43,838)
		<b>155,991</b>	<b>1,880</b>	<b>157,871</b>	140,436
<b>NET CURRENT ASSETS</b>					
		<b>665,179</b>	<b>1,880</b>	<b>667,059</b>	661,567
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>665,179</b>	<b>1,880</b>	<b>667,059</b>	661,567
<b>NET ASSETS</b>					
		<b>665,179</b>	<b>1,880</b>	<b>667,059</b>	661,567
<b>FUNDS</b>					
	19				
<b>Unrestricted funds:</b>					
Unrestricted fund - General fund				67,997	77,912
<b>Designated funds:</b>					
Designated fund - Brook Street Building Fixed Asset fund				312,338	313,777
Designated fund - Repairs fund				50,000	23,395
Designated fund - Reserve fund				60,000	60,000
Designated fund - Donated for events				802	802
Designated fund - Property Improvements Fixed Asset fund				174,042	183,801
				<b>665,179</b>	659,687
<b>Restricted funds:</b>					
Graduate Artists Programme				1,880	1,880
<b>TOTAL FUNDS</b>					
				<b>667,059</b>	661,567

The notes form part of these financial statements

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)**

**BALANCE SHEET - continued**  
**31 DECEMBER 2024**

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These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 28 March 2025 and were signed on its behalf by:



Andrew V. M Matheson  
A Matheson RBSA – Hon Treasurer

The notes form part of these financial statements

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. ACCOUNTING POLICIES

##### BASIS OF PREPARING THE FINANCIAL STATEMENTS

###### General information

The Royal Birmingham Society of Artists is an incorporated charity registered with the Charity Commission in England and Wales. The address of the Royal Birmingham Society of Artists' registered office is Dakota House, 4 Brook Street, Birmingham, B3 1SA.

###### Accounting convention

The financial statements of the Royal Birmingham Society of Artists, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention as modified to include certain financial instruments at fair value and are presented in sterling which is the functional currency of the Royal Birmingham Society of Artists, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

###### GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

###### FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

###### INCOME

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

Grants and donations receivable which are intended for use in a specified period are accrued over the course of that period by the charity.

Sums received in advance are carried forward as deferred income.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established. Investment income relating to quoted fixed asset investments is accounted for on a receivable basis.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

---

**1. ACCOUNTING POLICIES - continued**

**INCOME**

All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Such costs are allocated between costs of activities in furtherance of the charity's objects, costs of generating funds and governance costs. Staff costs are allocated to the cost of staff working directly in the relevant department. Other costs have been either specifically identified or apportioned on an appropriate basis to each category.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charity's charitable activities.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows.

Freehold land	- not depreciated
Freehold buildings	- 1% straight line method
Property Improvements	- 5% straight line method
Fixtures, fittings and equipment	- 20% to 33% straight line method

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 net income/(expenditure) for the year.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

---

**1. ACCOUNTING POLICIES - continued**

**TANGIBLE FIXED ASSETS  
FIXED ASSET INVESTMENTS**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

**DEBTORS**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**CREDITORS**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**STOCKS**

Stock is valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**IRRECOVERABLE VAT**

The charity is registered for Value Added Tax but is partially exempt as it makes both taxable and exempt supplies. The partial exempt status can result in the charity not recovering all of the Value Added Tax it has incurred on expenditure. Resources expended include the proportion of Value Added Tax on expenditure which cannot be recovered.

**FUND ACCOUNTING**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1. ACCOUNTING POLICIES - continued**

**GOVERNMENT GRANTS**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**EMPLOYEE BENEFITS**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at amortised cost.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty.

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**3. DONATIONS**

	<b>2024</b>	2023
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£</b>	£
Donations, gifts and sponsorship	<b>36,275</b>	25,987

Donations, gifts and sponsorship, included in the above, are as follows:

	<b>2024</b>	2023
	<b>£</b>	£
Donations	<b>26,010</b>	13,103
Sponsorship	-	4,000
Gift Aid	<b>10,265</b>	8,882
	<b>36,275</b>	25,985

Donations in excess of £1,000 were received from the following organisations:

	<b>2024</b>	2023
	<b>£</b>	£
V Astling OBE	<b>1,000</b>	2,000
A Coates	-	1,232
C Postins	<b>10,000</b>	-
GMC Trust	<b>2,000</b>	1,500
Donations below £1,000	<b>13,010</b>	8,371
	<b>26,010</b>	13,103

**4. OTHER TRADING ACTIVITIES**

	<b>2024</b>	2023
	<b>Total</b>	Total
	<b>funds</b>	funds
	<b>£</b>	£
Subscriptions - Members and Associates	<b>37,438</b>	35,738
Subscriptions - Friends of the RBSA	<b>19,157</b>	14,323
	<b>56,595</b>	50,061

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

5. INVESTMENT INCOME

	2024 Total funds £	2023 Total funds £
Income from listed investments	735	715
Interest receivable	7,300	1,981
	<u>8,035</u>	<u>2,696</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Grants	10,325	10,800
Gallery income	95,982	70,321
	<u>106,307</u>	<u>81,121</u>

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

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
G J W Turner Trust	-	-	-	2,000
Loppylugs	10,325	-	10,325	8,800
	<u>10,325</u>	<u>-</u>	<u>10,325</u>	<u>10,800</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Operation of gallery	<u>116,299</u>	<u>85,349</u>	<u>201,648</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	103,385	93,048
Prizes	6,750	4,590
Workshop tutors	5,192	5,224
Funded projects professional fees	<u>972</u>	<u>3,027</u>
	<u>116,299</u>	<u>105,889</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

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9. SUPPORT COSTS

Support costs are those costs that have been incurred in order to further the continued development of the charity's charitable activities.

Support costs, included in the above, are as follows:

**FINANCE SUPPORT COSTS**

	<b>2024</b>	2023
	Operation of gallery £	Total activities £
Bank charges	497	483
Credit card charges	3,555	2,926
Repairs and maintenance	2,772	20,567
Printing and stationery	1,631	458
Light and heat	8,659	5,677
Telephone and postage	1,496	2,218
Publicity	10,101	4,924
Sundry expenses	2,900	4,729
Other operating leases	708	944
Photocopier	761	330
Catering	2,030	774
Irrecoverable VAT	282	4,106
Cleaning	4,940	4,296
Training	-	100
Computer expenses	9,410	7,993
Rates and insurance	3,774	4,099
Depreciation of tangible fixed assets	14,402	14,309
Auditors' remuneration	2,600	2,600
Auditors' remuneration for non audit work	1,300	1,300
Professional fees	<u>13,531</u>	<u>14,263</u>
	<b>85,353</b>	<b>97,096</b>

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**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2024</b>	2023
	£	£
Auditors' remuneration	<b>2,600</b>	2,600
Auditors' remuneration for non audit work	<b>1,300</b>	1,300
Depreciation - owned assets	<b>14,401</b>	14,309
Other operating leases	<b><u>708</u></b>	<u>944</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

**TRUSTEES' EXPENSES**

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

**12. STAFF COSTS**

	<b>2024</b>	2023
	£	£
Wages and salaries	<b>99,073</b>	89,566
Social security costs	<b>2,400</b>	1,776
Other pension costs	<b><u>1,912</u></b>	<u>1,706</u>
	<b><u>103,385</u></b>	<u>93,048</u>

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

	<b>2024</b>	2023
Management and administration	<b>1</b>	1
Charitable activities	<b><u>4</u></b>	<u>4</u>
	<b><u>5</u></b>	<u>5</u>

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

ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Improvements to property £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>				
At 1 January 2024	<b>343,833</b>	<b>195,186</b>	<b>9,333</b>	<b>548,352</b>
Additions	<u>-</u>	<u>-</u>	<u>670</u>	<u>670</u>
At 31 December 2024	<u><b>343,833</b></u>	<u><b>195,186</b></u>	<u><b>10,003</b></u>	<u><b>549,022</b></u>
<b>DEPRECIATION</b>				
At 1 January 2024	<b>30,056</b>	<b>11,386</b>	<b>3,630</b>	<b>45,072</b>
Charge for year	<u>1,439</u>	<u>9,759</u>	<u>3,203</u>	<u>14,401</u>
At 31 December 2024	<u><b>31,495</b></u>	<u><b>21,145</b></u>	<u><b>6,833</b></u>	<u><b>59,473</b></u>
<b>NET BOOK VALUE</b>				
At 31 December 2024	<u><b>312,338</b></u>	<u><b>174,041</b></u>	<u><b>3,170</b></u>	<u><b>489,549</b></u>
At 31 December 2023	<u><b>313,777</b></u>	<u><b>183,800</b></u>	<u><b>5,703</b></u>	<u><b>503,280</b></u>

Included in cost or valuation of land and buildings is freehold land of £200,000 (2023 - £200,000) which is not depreciated.

Pictures in the permanent collection, not included in the balance sheet as at 31 December 2024, amounted to £29,894 (2023 - £29,894) on a historical cost basis.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

14. FIXED ASSET INVESTMENTS

	Unrestricted Fund £	2024 £	2023 £
Market value at 1 January 2024	17,851	17,851	18,087
Additions at cost	-	-	-
Sale proceeds on disposal	-	-	-
Gain/(loss) in the year:			
- realised	-	-	-
- unrealised	1,788	1,788	(236)
	<u>19,639</u>	<u>19,639</u>	<u>17,851</u>
Total market value of investments at 31 December 2024			
	<u>12,130</u>	<u>12,130</u>	<u>12,130</u>

The following UK listed investments represent more than 5% of the portfolio valuation.

	2024 £	2023 £
Unilever	10,915	9,120
Royal Dutch Shell	7,527	7,817
	<u>18,442</u>	<u>16,937</u>

15. STOCKS

	2024 £	2023 £
Stocks	<u>1,550</u>	<u>2,179</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
	£	£
Trade debtors	5,046	5,389
Prepayments	<u>7,870</u>	<u>4,049</u>
	<u>12,916</u>	<u>9,438</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
	£	£
Trade creditors	3,170	2,088
Social security and other taxes	4,696	1,887
Other creditors	366	369
Accruals and deferred income	<u>44,379</u>	<u>39,494</u>
	<u>52,611</u>	<u>43,838</u>

Included within accruals and deferred income as at 31 December 2024 is the following:

Deferred gallery income totalling £8,450 (2023 - £4,292)

Deferred membership income and entry fees totalling £11,954 (2023 - £14,922)

Deferred donations and grants totalling £14,600 (2023 - £9,350)

18. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	<u>-</u>	<u>944</u>

Operating lease payments represent rentals payable by the charity for certain items of equipment. No restrictions are placed on the use of these assets and the average lease term is 3 years. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

19. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
<b>Unrestricted funds</b>			
Unrestricted fund - General fund	77,912	(10,305)	67,997
Designated fund - Brook Street Building			
Fixed Asset fund	313,777	(1,439)	312,338
Designated fund - Repairs fund	23,395	26,995	50,000
Designated fund - Reserve fund	60,000	-	60,000
Designated fund - Donated for events	802	-	802
Designated fund - Property Improvements			
Fixed Asset fund	183,801	(9,759)	174,042
	659,687	5,492	665,179
<b>Restricted funds</b>			
Graduate Artists Programme	1,880	-	1,880
<b>TOTAL FUNDS</b>	<b>661,567</b>	<b>5,492</b>	<b>667,059</b>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	200,462	(185,560)	1,788	16,690
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Property Improvements				
Fixed Asset fund	-	(9,759)	-	(9,759)
	200,462	(196,758)	1,788	5,492
<b>Restricted funds</b>				
Prize fund	6,750	(6,750)	-	-
<b>TOTAL FUNDS</b>	<b>207,212</b>	<b>(203,508)</b>	<b>1,788</b>	<b>5,492</b>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
<b>Unrestricted funds</b>			
Unrestricted fund - General fund	96,437	(18,525)	77,912
Designated fund - Brook Street Building Fixed Asset fund	315,216	(1,439)	313,777
Designated fund - Repairs fund	40,000	(16,605)	23,395
Designated fund - Reserve fund	60,000	-	60,000
Designated fund - Donated for events	802	-	802
Designated fund - Property Improvements Fixed Asset fund	<u>193,560</u>	<u>(9,759)</u>	<u>183,801</u>
	706,015	(46,328)	659,687
<b>Restricted funds</b>			
Graduate Artists Programme	-	1,880	1,880
	<u>706,015</u>	<u>(44,448)</u>	<u>661,567</u>
<b>TOTAL FUNDS</b>			

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	151,275	(169,564)	(236)	(18,525)
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Repairs fund	-	(16,605)	-	(16,605)
Designated fund - Property Improvements				
Fixed Asset fund	-	(9,759)	-	(9,759)
	<u>151,275</u>	<u>(197,367)</u>	<u>(236)</u>	<u>(46,328)</u>
<b>Restricted funds</b>				
Prize fund	4,590	(4,590)	-	-
Graduate Artists Programme	2,000	(120)	-	1,880
Tap machine	1,000	(1,000)	-	-
Catalogues	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
	<u>8,590</u>	<u>(6,710)</u>	<u>-</u>	<u>1,880</u>
<b>TOTAL FUNDS</b>	<u>159,865</u>	<u>(204,077)</u>	<u>(236)</u>	<u>(44,448)</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.23 £	Net movement in funds £	At 31.12.24 £
<b>Unrestricted funds</b>			
Unrestricted fund - General fund	96,437	(28,440)	67,997
Designated fund - Brook Street Building			
Fixed Asset fund	315,216	(2,878)	312,338
Designated fund - Repairs fund	40,000	10,000	50,000
Designated fund - Reserve fund	60,000	-	60,000
Designated fund - Donated for events	802	-	802
Designated fund - Property Improvements			
Fixed Asset fund	<u>193,560</u>	<u>(19,518)</u>	<u>174,042</u>
	706,015	(40,836)	665,179
<b>Restricted funds</b>			
Graduate Artists Programme	-	1,880	1,880
	<u>706,015</u>	<u>(38,956)</u>	<u>667,059</u>

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**19. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	351,737	(355,124)	1,552	(1,835)
Designated fund - Brook Street Building Fixed Asset fund	-	(2,878)	-	(2,878)
Designated fund - Repairs fund Designated fund - Property Improvements Fixed Asset fund	-	(16,605)	-	(16,605)
	<u>-</u>	<u>(19,518)</u>	<u>-</u>	<u>(19,518)</u>
	351,737	(394,125)	1,552	(40,836)
<b>Restricted funds</b>				
Prize fund	11,340	(11,340)	-	-
Graduate Artists Programme	2,000	(120)	-	1,880
Tap machine	1,000	(1,000)	-	-
Catalogues	1,000	(1,000)	-	-
	<u>15,340</u>	<u>(13,460)</u>	<u>-</u>	<u>1,880</u>
<b>TOTAL FUNDS</b>	<u>367,077</u>	<u>(407,585)</u>	<u>1,552</u>	<u>(38,956)</u>

**Purpose of unrestricted funds**

Unrestricted fund - General fund

This fund represents the free funds of the charity that are not designated for particular purposes.

Designated fund - Brook Street Building Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the acquisition and refurbishment of the charity's freehold building which are shown separately from the charity's General fund.

Designated fund - Renovations fund

This fund consists of unrestricted funds that have been set aside by the trustees for essential renovation works to charity's freehold building located at Brook Street in Birmingham. All renovation work was completed in September 2022.

Designated fund - Repairs fund

This fund consists of unrestricted funds that have been set aside by the trustees for the on-going maintenance of the charity's freehold building located at Brook Street in Birmingham.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 19. MOVEMENT IN FUNDS - continued

##### Designated fund - Reserve fund

This designated fund represents the approximate costs that would be incurred if the charity, for whatever reason, is unable to continue operating as a going concern.

##### Designated fund - Donated for Friends events

The Birmingham Midland Pastel Society have very generously donated £802 to support future Friends talks & events.

##### Designated fund - Property Improvements Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the property improvements of the charity's freehold building which are shown separately from the charity's General fund.

#### **Purpose of restricted funds**

##### Prize fund

This fund holds monies donated for cash prizes awarded at Royal Birmingham Society of Artists prize exhibitions.

##### Graduate Artist Programme

The RBSA Graduate Scheme is designed to benefit and support early-career and emerging artists to develop their artistic practice and further their professional career. The RBSA support a group of fifteen artists that have graduated within the last ten years. They receive three years of free membership to the RBSA, which equated to over £700 each and have the opportunity to enter artwork to RBSA exhibitions without fees, as well as have a ground floor solo exhibition. The group enjoy mentoring and appraisals sessions as part of their term as ambassadors of the Society.

##### Tap Machine

The tap machine was purchased outright from GWD thanks to the donation of a RBSA Member in the summer of 2023. The machine is situated on the stairwell and allows visitors to use the a contactless payment method to make an anonymous donation.

##### Catalogues

In November 2024, we started to produce printed catalogues for RBSA exhibitions. The RBSA Annual Exhibition, which opened on November 14th 2023, was accompanied by a 120 page catalogue and was made via thanks to a £1000 donation by an RBSA Member, which contributed towards the print costs.

##### Governance Review - funded by West Midlands Museums Development

The funded activity is supporting a board review of governance and diversity and the rewriting of the Articles of Association with legal support. This fund was fully expended in March 2022.

##### Renovation fund

To support the renovation and refurbishment of the RBSA Gallery. After over 20 years in this location, we need to refurbish the existing windows and front door (which are in a bad state of repair), and redevelop the ground floor of the building to increase visitor figures and improve our retail offer to increase sales, crucial in the post COVID climate. This fund was fully expended in September 2022.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**19. MOVEMENT IN FUNDS - continued**

Women's Artist Catalogue

This initiative was supported by the donation of funds to the value of £1500 by a non-member who wished to remain anonymous. The printing costs were paid for using these funds and the brochure was on put on sale in the gallery for £3 each.

**20. EMPLOYEE BENEFIT OBLIGATIONS**

**Defined contribution schemes**

The charity contributes to the individual pension schemes of certain employees. The assets of these schemes are held separately from those of the charity in independently administered funds.

The total contributions for the year amounted to £1,912 (2023 - £1,706) and outstanding contributions as at 31 December 2024 amounted to £366 (2023 - £369).

**21. RELATED PARTY DISCLOSURES**

As part of the ordinary activities of the charity, members (including trustees) may be paid for works of art sold by the gallery and may also be paid for workshop tutor fees. Any such transactions are made on similar terms to those paid to unconnected third parties.

**22. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees as listed in the Report of the Trustees.

**ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

England & Wales - Charity number 528894

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# Accounts

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**REGISTERED COMPANY NUMBER: 00122616 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 528894**

**REPORT OF THE TRUSTEES AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
**FOR**  
**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

##### Purposes and aims

The Society's objectives include the education of the public in the practice of the visual arts and the maintenance of a Gallery as a venue for the organisation of exhibitions.

Our aim as an artist-led charity is to facilitate the creation and sharing of excellence in the visual arts. We achieve this by supporting artists in the development of their practice, by encouraging participation in creative arts activities to develop future generations of artists, by promoting our artistic programme in our own Gallery so it can be enjoyed by the widest audiences, and by providing interpretation and events to help our audiences develop their knowledge, understanding and enjoyment of the visual arts.

##### Significant activities

We deliver an inclusive artistic programme at the RBSA Gallery which includes major exhibitions of artwork by Members and Associates as well as Graduates, Open/Prize Entry exhibitions (both open to non-members), gallery hire by RBSA artists or groups external to the RBSA, solo shows for members and curated displays from the RBSA Collection. All exhibitions are supported by free events such as talks, guided tours, occasional art demonstrations and a comprehensive programme of workshops for adults. Our Craft Shop (also online) showcases UK based designer-makers, many of whom are based in the Jewellery Quarter or the wider West Midlands.

The Society can trace its origins back to 1814 and cherishes its heritage. We care for and promote our historic Archive and Collection of artworks predominantly by RBSA members which reflects that heritage. We have been an Accredited Museum since 2006 and that Accreditation was renewed for 5 years in November 2022. The Collection and Archive now comprises over 1,000 items and is managed by a dedicated Volunteer Archive Team offering intergenerational learning and work experience opportunities including for students.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### OBJECTIVES AND ACTIVITIES

##### Public benefit

##### Ensuring our work delivers our aims

We regularly review our aims, objectives and activities at the RBSA Council meetings. In November 2022, we reviewed the Strengths, Weaknesses, Opportunities and Threats to the Society. As a result of this we identified some priorities which we have worked on in 2023. We are particularly concerned about raising the visibility of the Society in the City and making effective partnerships with some other leading arts organisations including the Birmingham Royal Ballet and the Royal Birmingham Conservatoire. Both venues have hosted drawing sessions for our members in 2023. We are currently in contact with Birmingham Contemporary Music Group and the City of Birmingham Symphony Orchestra exploring ways we can cooperate together. We hope that these contacts will lead to an Exhibition in the RBSA Gallery and hopefully elsewhere capturing the vibrancy of other art forms in the City. Our social media profile has increased our profile over the year which, with other measures, has increased our exposure to groups who may not have accessed the Gallery previously (see below). There is a growing momentum which the Trustees wish to maintain to attract a more diverse and younger audience to the Gallery.

In 2023 as part of this drive, the Council approved the appointment of 15 recent graduates to be Graduate members of the Society with a tenure of 3 years. This enables them to enjoy three years free membership. They are free to develop their practice and show their work alongside the membership. Thanks to a local charity we are able to offer the Graduates some regular support. We also discount the entry fees and other charges of all those under 35 years of age by 50% to encourage submissions from younger artists as part of our public benefit programme.

The Trustees have approved adopting the Own Art scheme whereby purchasers who meet a credit test may purchase work over 10 months at nil interest. A Tap Machine for donations has also been installed in the Gallery to supplement ways of donating in the light of increased use of credit cards rather than cash. The Council are still focussed on developing current and new income streams in the future.

##### Volunteers

We are pleased to report that during 2023, some 86 volunteers assisted the Society in one form or another including in the Archive, receiving and hanging Exhibitions as well as 44 members and friends covering 109 stewarding sessions at the weekend. We are most grateful to all of our volunteers without whom the Gallery could not open on Saturdays and whose presence enriches the visitor experience and public benefits. We plan to extend the opening hours of the Gallery to include Sundays which can only be done with further volunteer effort.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### How our activities deliver public benefit

All of our charitable activities focus on our ability to maintain a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts. The Gallery is a unique venue in the City as artists are able to submit their work for selection and be shown at a public gallery.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

##### Achievements

Notable achievements during the year ended 31 December 2023 included the following.

We staged 9 RBSA sponsored exhibitions including our Bi-Annual Photographic Prize Exhibition. We also arranged 6 private hires of the gallery during the year including Willow weaver Sue Kirk and Textile artist Ros Stoddart who both use materials grown and harvested from their own land to create organic artworks. Birmingham Art Circle maintained their support of the Gallery for their annual show and Greenwood Presents hired the gallery for the first time (see below). Our thanks to all our hirers for their support. The Gallery sold 120 artworks over the year amounting to just over £30,000.

Our Workshop Programme ran 31 sessions with 165 participants. There were a number of high profile talks including by Ruth Millington, the art commentator and blogger and Brendan Flynn, RBSA Professor of Art History, as part of Black History Month. We are trying to establish an artist talking every Saturday at 2pm so that visitors know that they can meet an artist at that time every week.

In addition, 21 RBSA artists had free solo exhibitions in the Ground Floor spaces. These exhibitions gave all artists a high-profile opportunity to show the development of their practice and an occasion to talk about their work.

In 2023, the Friends programme has included four Drawing Days - St Chad's Cathedral, Sarehole Mill, Aston Hall and Winterbourne Botanic Garden - two Artist-led Appraisals - led by RBSA Members Keith Turley, Hannah Northam and Associate Member Olivia Swinscoe - and the annual Friends Exhibition with an accompanying Artists Talking Event. A programme of activities is designed to help the Friends to further their practice, connect with other artists in the Society, and progress to Associate Membership (should they wish to do so) and is largely succeeding in meeting these objectives. We currently have about 370 Friends with whom we are in touch on a regular basis.

The Gallery attracted 12,864 visitors in 2023, a considerable increase on the 2022 figure of 7887 (although the Gallery was closed for 3 months for refurbishment in that year). We were able to start school visits with 200 children from six schools and we established fresh relationships with Margaret Street College of Art in Birmingham City University and 77 of their students visited the Gallery. We have also established a student Prize in all 2024 Prize Exhibitions. The Society has also re-established the curatorial student placement with the University of Birmingham.

We continued to focus on increasing our social media presence through followers on Facebook and can report that the number of followers increased over the year by around 1,000 to over 4,000. Instagram followers went up from 3,553 to 8668. This is by far our most valuable marketing tool and has helped increase engagement with a younger and more diverse audience. This has resulted in increased entries for our Open Exhibitions and has changed markedly the diversity of the artists with whom we engage. X (formerly Twitter) added about 100 new followers to about 7300. We also use an Art Blog. The online shop enables us to generate additional sales income. Changes were made to our website with the Society's presence being emphasised rather than just the Gallery and 52,000 new users were logged as a result of search engine enquiries.

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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A much welcome initiative was the introduction of a fully illustrated Catalogue for the Members and Associates Annual Exhibition. This was given free of charge to all exhibiting members and was for sale to the general public. As well as recording every work in the show, there is an In Memoriam section to record members who died during the year and a complete record of the Members, Associate and Graduates of the Society as well as the Honorary members thus providing an important record for the future. We intend to produce a similar but smaller publication for most future RBSA promoted exhibitions on the basis that the production costs should be covered by the sale costs.

#### **REFURBISHMENT OF THE BUILDING - Some early success in diversifying our audiences and artists**

The Society own the freehold of the Gallery in Brook Street, Birmingham. It was refurbished and remodelled in 2022. This project has been an outstanding success as the Gallery is now a contemporary space with clean lines. The new entrance and re-purposed Ground Floor layout makes an immediate impression on visitors. For artists, the consistent feedback is that this is a venue that they would like to see their work displayed. So, we thank the Trusts (noted later in this report) who helped to fund those works together with the Kate Fryer Legacy. The Council is of the view that the Building Project together with the increased use of Social Media as described above has enabled the Society to attract both wider and more diverse visitors and artists. These changes have been evident in the diversity of entries to exhibitions, selected artists and attendees at Private Views and in visitors. We are particularly grateful to Greenwood Presents who hired the Gallery in August 2023 for a show entitled 'Here We Are'. The idea for Greenwood Presents came from conversations in the wake of the George Floyd murder and they are the first Black Group to hire the Gallery. That opened the gallery up to a further new audience and many of those visitors and artists have continued their engagement with the Society. Greenwood Presents will be returning for another Exhibition in November 2024.

#### **FINANCIAL REVIEW**

##### **Financial position**

The Statement of Financial Activities on page 13 of the financial statements shows that for the year ended 31 December 2023 the charity incurred a deficit, after recognising net investment gains and losses, totalling £44,448 (2022 - surplus, after recognising investment gains and losses totalling £2,099).

As a result, the total net assets of the charity have decreased from £706,015 as at 31 December 2022 to £661,567, as at 31 December 2023.

##### **Investment policy and objectives**

The charity has a small investment portfolio and the charity's Trustees have a policy of exploring and considering appropriate ways of investing reserves so as to increase income without exposing the charity to undue risks.

The total investment income received by the charity from the charity's investment portfolio increased during the year ended 31 December 2023 compared to the year ended 31 December 2022 and the market valuation of the charity's investment portfolio decreased by £236 as at December 2023 compared to a £2,640 increase last year - see notes 5 and 14 to the financial statements for more detail.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### FINANCIAL REVIEW

##### Reserves policy

Our risk assessment has highlighted that we need to monitor our cash position carefully. This has been difficult this year and the Council received regular short-term forecasts.

On the current basis, our policy has been to fix the figure of £60,000 as a level at which the Council would have to consider serious action to reduce the operation of the Society's Gallery. The Trustees consider this figure to be a reasonable estimate of the cost of mothballing the Gallery and winding down the staff requirement. As last year, we consider that sum (or a more accurate estimate should it be calculated known as "The Designated Reserve Fund") should be deducted from the free reserves figure to show a more realistic picture of our financial situation. This reserves policy was adopted in 2018.

A "Designated Repairs Fund" was created in 2018 to ensure that the fabric of the Building is properly maintained in the future and this currently stands at £23,395 - see Note 19 to the Accounts.

##### Going concern

The pandemic and the lockdowns challenged the organisation at the time. That is thankfully now in the past and our activities have now resumed but with an improved online presence. In 2023 we had the opportunity to re-design the former Gallery Directors role and the Council appointed an RBSA Director (see below) who has the remit to focus on the Society's viability. The Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

#### FUTURE PLANS

For 2024 we will be hosting another year of high quality exhibitions starting with a Friends Exhibition in January over two Galleries to take account of the increased level of activity amongst the Friends. Following that we will show our Biennial Print Prize Exhibition. Later in the year, after the Candidates Exhibition we will be hosting the Society of Enamellers for the first time as well as our very successful Portrait Prize with photography included as a medium for the first time.

The RBSA Summer Exhibition will follow and we will hold a second Collection Exhibition featuring Portraits from the RBSA Collection. Following a review of our Exhibition Programme we are to hold a John Salt Retrospective in conjunction with his family. John was an Honorary Member and had an international reputation for Photo-Realism. We will then hold the RBSA Prize Exhibition and the year will close with the Annual Members and Associates Exhibition. We will also be hosting solo shows on the Ground Floor and group and solo gallery hires during the year. There will be three separate sets of Workshops in the Spring, Summer and Autumn covering a very wide range of topics and lead mostly by our members. We aim to animate the Gallery further with talks and activities particularly on Saturdays to add a further element to our education programme.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is a company limited by guarantee and was incorporated on 15 June 1912. The charity is governed by a Memorandum and Articles of Association. The Articles have recently been reviewed as we reported in the 2022 Annual Report.

None of the Trustees has a beneficial interest in the charitable company. All of the Trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

The Officers and voting members of the Council, being the Trustees, are elected from the Society's 180 or so Members and Associates and are responsible for the governance and management of the Society.

At the AGM on 30 April 2023, Viv Astling was re-elected President for a second year. Hannah Northam and Vivienne Cawson were re-elected Vice Presidents, Andrew Matheson was re-elected to the post of Hon Treasurer and Rob Leckey was re-elected to the office of Honorary Secretary. Ed Isaacs was re-elected Honorary Curator. Chris Tkacz was elected to the Council.

##### **Organisational structure and the Director**

The Council met on 6 occasions during the year ended 31 December 2023.

Permanent staff at the end of the year comprise the RBSA Director (see below), Marketing Manager, Exhibitions Coordinator, with two Front of House & Sales Assistants to cover weekdays and Saturdays and a freelance Accountant. The Learning post has been left vacant on the grounds that there is no funding available. During the year, the former Gallery Director gave notice that she would be leaving in July to pursue her freelance career. The Council took the opportunity to review the remit of the post and decided that the focus of the post should be ensuring the viability of the Society and therefore re-titled the post RBSA Director. This revised post included some increased responsibilities including for the building. After advertising and interviewing a short-list of candidates, the Council unanimously approved the appointment of Rachel Dowling-Jones who had an extensive record of employment in the commercial retail and publishing sector. She took up post in October 2023.

The average number of employees for the year is listed as per note 12 to the financial statements. Their remuneration is reviewed annually, and any increase is based on the state of the charity's finances, the importance of retaining key staff, the requirement to meet statutory wage conditions and increases in the current cost of living.

The trustees wish to record their sincere thanks to our staff for their valuable contribution to the Society. They are the first point of contact with our visitors and our artists in the Gallery and play an essential part in the life of the Society.

##### **Induction and training of new trustees**

New Trustees are briefed on their legal obligations under charity law, the contents of the Society's Memorandum and Articles of Association, the Committee and decision-making processes and the recent financial performance of the Society. They are directed to the Charity Commission's note CC3a on the role of the Trustee to guide them in their work on the Council.

##### **Key management**

In the trustees' opinion, the key management personnel of The Royal Birmingham Society of Artists responsible for the direction, control, running and operation of The Society on a day-to-day basis are the Officers of the Board of Trustees and the charity's senior member of staff, the RBSA Director.

##### **Key management personnel - trustees**

All trustees give of their time freely and no trustee received remuneration during the year.

None of the Trustees claimed any expenses as is confirmed in note 12 to the financial statements.

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks that the Society faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. Risk Assessments have also been compiled by the former Gallery Director highlighting the risks to the Society of operating the Gallery at the time of a pandemic and the ways such risks can be mitigated.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

00122616 (England and Wales)

##### Registered Charity number

528894

##### Registered office

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

##### Council Members

Viv Astling	President	Re-elected 30 April 2023
V Cawson	Vice President	Re-elected 30 April 2023
H Northam	Vice President	Re-elected 30 April 2023
R Leckey	Honorary Secretary	Re-elected 30 April 2023
A Matheson	Honorary Treasurer	Re-elected 30 April 2023
E Isaacs	Honorary Curator	Re-elected 30 April 2023
C Griffin		- elected 1 August 2021
R Griffiths		- re-elected 1 August 2021
J Scott Martin		- ex-officio
M White		- ex-officio
R Neil		- ex-officio
S Evans		- ex-officio

##### Associate Representatives

R Eveson		- elected 1 August 2021
O Swinscoe		- co-opted 17 August 2021

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

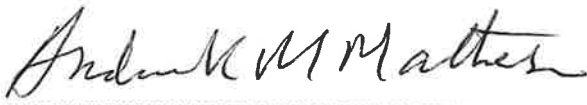
**AUDITORS**

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 2 April 2024 and signed on its behalf by:



V Astling OBE – Chair of the Trustees



A Matheson RBSA – Hon Treasurer

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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### **Opinion**

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith ACA (Senior Statutory Auditor)  
for and on behalf of J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

Date: 2 April 2024

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	3	19,397	6,590	25,987	32,313
<b>Charitable activities</b>					
Operation of gallery	6	79,121	2,000	81,121	154,487
Other trading activities	4	50,061	-	50,061	48,348
Investment income	5	2,696	-	2,696	1,048
<b>Total</b>		<b>151,275</b>	<b>8,590</b>	<b>159,865</b>	<b>236,196</b>
<b>EXPENDITURE ON</b>					
Raising funds		1,092	-	1,092	4,858
<b>Charitable activities</b>					
Operation of gallery	7	196,275	6,710	202,985	231,880
<b>Total</b>		<b>197,367</b>	<b>6,710</b>	<b>204,077</b>	<b>236,738</b>
Net gains/(losses) on investments		(236)	-	(236)	2,641
<b>NET INCOME/(EXPENDITURE)</b>		<b>(46,328)</b>	<b>1,880</b>	<b>(44,448)</b>	<b>2,099</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		706,015	-	706,015	703,916
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>659,687</b>	<b>1,880</b>	<b>661,567</b>	<b>706,015</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

BALANCE SHEET  
31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	503,280	-	503,280	517,589
Investments	14	17,851	-	17,851	18,087
		<u>521,131</u>	<u>-</u>	<u>521,131</u>	<u>535,676</u>
<b>CURRENT ASSETS</b>					
Stocks	15	2,179	-	2,179	-
Debtors	16	9,438	-	9,438	5,898
Cash at bank		170,777	1,880	172,657	218,245
		<u>182,394</u>	<u>1,880</u>	<u>184,274</u>	<u>224,143</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(43,838)	-	(43,838)	(53,804)
		<u>138,556</u>	<u>1,880</u>	<u>140,436</u>	<u>170,339</u>
<b>NET CURRENT ASSETS</b>					
		<u>138,556</u>	<u>1,880</u>	<u>140,436</u>	<u>170,339</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>659,687</u>	<u>1,880</u>	<u>661,567</u>	<u>706,015</u>
<b>NET ASSETS</b>					
		<u>659,687</u>	<u>1,880</u>	<u>661,567</u>	<u>706,015</u>
<b>FUNDS</b>					
	19				
<b>Unrestricted funds:</b>					
Unrestricted fund - General fund				77,912	96,437
<b>Designated funds:</b>					
Designated fund - Brook Street Building Fixed Asset fund				313,777	315,216
Designated fund - Repairs fund				23,395	40,000
Designated fund - Reserve fund				60,000	60,000
Designated fund - Donated for events				802	802
Designated fund - Property Improvements Fixed Asset fund				183,801	193,560
				<u>659,687</u>	<u>706,015</u>
<b>Restricted funds:</b>					
Graduate Artists Programme				1,880	-
<b>TOTAL FUNDS</b>					
				<u>661,567</u>	<u>706,015</u>

The notes form part of these financial statements

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)**

**BALANCE SHEET - continued**  
**31 DECEMBER 2023**

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These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 April 2024 and were signed on its behalf by:



A Matheson RBSA – Hon Treasurer

The notes form part of these financial statements

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES

##### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

###### **General information**

The Royal Birmingham Society of Artists is an incorporated charity registered with the Charity Commission in England and Wales. The address of the Royal Birmingham Society of Artists' registered office is Dakota House, 4 Brook Street, Birmingham, B3 1SA.

###### **Accounting convention**

The financial statements of the Royal Birmingham Society of Artists, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention as modified to include certain financial instruments at fair value and are presented in sterling which is the functional currency of the Royal Birmingham Society of Artists, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

###### **GOING CONCERN**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

###### **FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

###### **INCOME**

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

Grants and donations receivable which are intended for use in a specified period are accrued over the course of that period by the charity.

Sums received in advance are carried forward as deferred income.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1. ACCOUNTING POLICIES - continued

##### INCOME

Investment income relating to quoted fixed asset investments is accounted for on a receivable basis.

All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

##### EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Such costs are allocated between costs of activities in furtherance of the charity's objects, costs of generating funds and governance costs. Staff costs are allocated to the cost of staff working directly in the relevant department. Other costs have been either specifically identified or apportioned on an appropriate basis to each category.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charity's charitable activities.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

##### TANGIBLE FIXED ASSETS

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows.

Freehold land	- not depreciated
Freehold buildings	- 1% straight line method
Property Improvements	- 5% straight line method
Fixtures, fittings and equipment	- 20% to 33% straight line method

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 net income/(expenditure) for the year.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. ACCOUNTING POLICIES - continued**

**FIXED ASSET INVESTMENTS**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

**DEBTORS**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**CREDITORS**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**STOCKS**

Stock is valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**IRRECOVERABLE VAT**

The charity is registered for Value Added Tax but is partially exempt as it makes both taxable and exempt supplies. The partial exempt status can result in the charity not recovering all of the Value Added Tax it has incurred on expenditure. Resources expended include the proportion of Value Added Tax on expenditure which cannot be recovered.

**FUND ACCOUNTING**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. ACCOUNTING POLICIES - continued**

**GOVERNMENT GRANTS**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**EMPLOYEE BENEFITS**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at amortised cost.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty.

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

3. DONATIONS

	2023 Total funds £	2022 Total funds £
Donations, gifts and sponsorship	<u>25,987</u>	<u>32,313</u>

Donations, gifts and sponsorship, included in the above, are as follows:

	2023 £	2022 £
Donations	13,105	22,597
Sponsorship	4,000	-
Gift Aid	8,882	9,716
	<u>25,987</u>	<u>32,313</u>

Donations in excess of £1,000 were received from the following organisations:

	2023 £	2022 £
Anonymous	2,000	
C Alton	-	2,500
A Coates	1,232	-
P Naylor	-	1,500
GMC Trust	1,500	3,250
Donations below £1,000	8,373	15,347
	<u>13,105</u>	<u>22,597</u>

4. OTHER TRADING ACTIVITIES

	2023 Total funds £	2022 Total funds £
Subscriptions - Members and Associates	35,738	36,247
Subscriptions - Friends of the RBSA	14,323	12,101
	<u>50,061</u>	<u>48,348</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

5. INVESTMENT INCOME		2023	2022
		Total funds	Total funds
		£	£
Income from listed investments		715	571
Interest receivable		<u>1,981</u>	<u>477</u>
		<u>2,696</u>	<u>1,048</u>

6. INCOME FROM CHARITABLE ACTIVITIES		2023	2022
		£	£
Grants	Activity	10,800	99,241
	Operation of gallery		
Gallery income	Operation of gallery	<u>70,321</u>	<u>55,246</u>
		<u>81,121</u>	<u>154,487</u>

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

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
Behrens Foundation	-	-	-	35,000
Birmingham City Council	-	-	-	4,000
Edward Cadbury Charitable Trust	-	-	-	10,000
G J W Turner Trust	-	2,000	2,000	-
Loppylugs	8,800	-	8,800	8,000
SUEZ	-	-	-	42,241
	<u>8,800</u>	<u>2,000</u>	<u>10,800</u>	<u>99,241</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Operation of gallery	<u>105,889</u>	<u>97,096</u>	<u>202,985</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	93,048	93,529
Prizes	4,590	4,400
Workshop tutors	5,224	4,496
Funded projects professional fees	<u>3,027</u>	<u>4,595</u>
	<u>105,889</u>	<u>107,020</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

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9. SUPPORT COSTS

Support costs are those costs that have been incurred in order to further the continued development of the charity's charitable activities.

Support costs, included in the above, are as follows:

	2023	2022
	Operation of gallery	Total activities
	£	£
Bank charges	483	512
Credit card charges	2,926	2,069
Repairs and maintenance	20,567	28,205
Printing and stationery	458	1,138
Light and heat	5,677	3,962
Telephone and postage	2,218	1,203
Publicity	4,924	3,520
Sundry expenses	4,729	1,389
Other operating leases	944	1,044
Photocopier	330	275
Catering	774	1,379
Irrecoverable VAT	4,106	37,083
Cleaning	4,296	3,215
Training	100	1,320
Computer expenses	7,993	13,635
Rates and insurance	4,099	4,456
Depreciation of tangible fixed assets	14,309	3,585
Auditors' remuneration	2,600	2,520
Auditors' remuneration for non-audit work	1,300	1,260
	14,263	13,090
	<hr/>	<hr/>
	<b>97,096</b>	<b>124,860</b>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

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10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	2,600	2,520
Auditors' remuneration for non-audit work	1,300	1,260
Depreciation - owned assets	14,309	3,585
Other operating leases	<u>944</u>	<u>1,044</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	89,566	89,707
Social security costs	1,776	2,098
Other pension costs	<u>1,706</u>	<u>1,724</u>
	<u>93,048</u>	<u>93,529</u>

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

	2023	2022
Management and administration	-	1
Charitable activities	<u>5</u>	<u>4</u>
	<u>5</u>	<u>5</u>

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Improvements to property £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>				
At 1 January 2023 and 31 December 2023	<u>343,833</u>	<u>195,186</u>	<u>9,333</u>	<u>548,352</u>
<b>DEPRECIATION</b>				
At 1 January 2023	28,617	1,626	520	30,763
Charge for year	<u>1,439</u>	<u>9,759</u>	<u>3,111</u>	<u>14,309</u>
At 31 December 2023	<u>30,056</u>	<u>11,386</u>	<u>3,630</u>	<u>45,072</u>
<b>NET BOOK VALUE</b>				
At 31 December 2023	<u>313,777</u>	<u>183,801</u>	<u>5,702</u>	<u>503,280</u>
At 31 December 2022	<u>315,216</u>	<u>193,560</u>	<u>8,813</u>	<u>517,589</u>

Included in cost or valuation of land and buildings is freehold land of £200,000 (2022 - £200,000) which is not depreciated.

Pictures in the permanent collection, not included in the balance sheet as at 31 December 2023, amounted to £29,894 (2022 - £29,894) on a historical cost basis.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

14. FIXED ASSET INVESTMENTS

	Unrestricted Fund £	2023 £	2022 £
Market value at 1 January 2023	18,087	18,087	15,447
Additions at cost	-	-	-
Sale proceeds on disposal	-	-	-
Gain/(loss) in the year:			
- realised	-	-	-
- unrealised	(236)	(236)	2,640
	<u>17,851</u>	<u>17,851</u>	<u>18,087</u>
Total market value of investments at 31 December 2023			
	<u>17,851</u>	<u>17,851</u>	<u>18,087</u>
Historic cost at 31 December 2022	<u>12,130</u>	<u>12,130</u>	<u>12,130</u>

The following UK listed investments represent more than 5% of the portfolio valuation.

	2023 £	2022 £
Unilever	9,120	10,037
Royal Dutch Shell	7,817	7,025
	<u>16,937</u>	<u>17,061</u>

15. STOCKS

	2023 £	2022 £
Stocks	<u>2,179</u>	<u>-</u>

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>5,389</b>	3,822
Prepayments	<b><u>4,049</u></b>	<u>2,076</u>
	<b><u>9,438</u></b>	<u>5,898</u>
<b>17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>2,088</b>	9,374
Social security and other taxes	<b>1,887</b>	5,063
Other creditors	<b>369</b>	356
Accruals and deferred income	<b><u>39,494</u></b>	<u>39,011</u>
	<b><u>43,838</u></b>	<u>53,804</u>

Included within accruals and deferred income as at 31 December 2023 is the following:

Deferred gallery income totalling £4,292 (2022 - £3,713)  
 Deferred membership income and entry fees totalling £14,922 (2022 - £11,665)  
 Deferred donations and grants totalling £9,350 (2022 - £9,193)  
 Deferred subscriptions £nil (2022 £1,000)

**18. LEASING AGREEMENTS**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	<b>944</b>	944
Between one and five years	<b><u>-</u></b>	<u>944</u>
	<b><u>944</u></b>	<u>1,888</u>

Operating lease payments represent rentals payable by the charity for certain items of equipment. No restrictions are placed on the use of these assets and the average lease term is 3 years. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

19. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
<b>Unrestricted funds</b>			
Unrestricted fund - General fund	96,437	(18,525)	77,912
Designated fund - Brook Street Building			
Fixed Asset fund	315,216	(1,439)	313,777
Designated fund - Repairs fund	40,000	(16,605)	23,395
Designated fund - Reserve fund	60,000	-	60,000
Designated fund - Donated for events	802	-	802
Designated fund - Property Improvements			
Fixed Asset fund	<u>193,560</u>	<u>(9,759)</u>	<u>183,801</u>
	706,015	(46,328)	659,687
<b>Restricted funds</b>			
Graduate Artists Programme	-	1,880	1,880
<b>TOTAL FUNDS</b>	<u>706,015</u>	<u>(44,448)</u>	<u>661,567</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	151,275	(169,564)	(236)	(18,525)
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Repairs fund	-	(16,605)	-	(16,605)
Designated fund - Property Improvements				
Fixed Asset fund	-	(9,759)	-	(9,759)
	151,275	(197,367)	(236)	(46,328)
<b>Restricted funds</b>				
Prize fund	4,590	(4,590)	-	-
Graduate Artists Programme	2,000	(120)	-	1,880
Tap machine	1,000	(1,000)	-	-
Catalogues	1,000	(1,000)	-	-
	<u>8,590</u>	<u>(6,710)</u>	-	<u>1,880</u>
<b>TOTAL FUNDS</b>	<u>159,865</u>	<u>(204,077)</u>	<u>(236)</u>	<u>(44,448)</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	88,548	(28,910)	36,799	96,437
Designated fund - Brook Street Building Fixed Asset fund	316,655	(1,439)	-	315,216
Designated fund - Renovation fund	180,281	-	(180,281)	-
Designated fund - Repairs fund	18,150	(5,221)	27,071	40,000
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	802	-	-	802
Designated fund - Property Improvements Fixed Asset fund	-	(1,626)	195,186	193,560
	664,436	(37,196)	78,775	706,015
<b>Restricted funds</b>				
Governance Review	4,200	(4,215)	15	-
Renovation fund	35,280	43,510	(78,790)	-
	39,480	39,295	(78,775)	-
<b>TOTAL FUNDS</b>	<u>703,916</u>	<u>2,099</u>	<u>-</u>	<u>706,015</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	129,659	(161,210)	2,641	(28,910)
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Repairs fund	-	(5,221)	-	(5,221)
Designated fund - Property Improvements				
Fixed Asset fund	<u>1</u>	<u>(1,627)</u>	<u>-</u>	<u>(1,626)</u>
	129,660	(169,497)	2,641	(37,196)
<b>Restricted funds</b>				
Prize fund	4,400	(4,400)	-	-
Governance Review	-	(4,215)	-	(4,215)
Renovation fund	100,636	(57,126)	-	43,510
Women Artist Catalogue	<u>1,500</u>	<u>(1,500)</u>	<u>-</u>	<u>-</u>
	<u>106,536</u>	<u>(67,241)</u>	<u>-</u>	<u>39,295</u>
<b>TOTAL FUNDS</b>	<u>236,196</u>	<u>(236,738)</u>	<u>2,641</u>	<u>2,099</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	88,548	(47,435)	36,799	77,912
Designated fund - Brook Street Building Fixed Asset fund	316,655	(2,878)	-	313,777
Designated fund - Renovation fund	180,281	-	(180,281)	-
Designated fund - Repairs fund	18,150	(21,826)	27,071	23,395
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	802	-	-	802
Designated fund - Property Improvements Fixed Asset fund	-	(11,385)	195,186	183,801
	664,436	(83,524)	78,775	659,687
<b>Restricted funds</b>				
Governance Review	4,200	(4,215)	15	-
Renovation fund	35,280	43,510	(78,790)	-
Graduate Artists Programme	-	1,880	-	1,880
	39,480	41,175	(78,775)	1,880
<b>TOTAL FUNDS</b>	<u>703,916</u>	<u>(42,349)</u>	<u>-</u>	<u>661,567</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	280,934	(330,774)	2,405	(47,435)
Designated fund - Brook Street Building				
Fixed Asset fund	-	(2,878)	-	(2,878)
Designated fund - Repairs fund	-	(21,826)	-	(21,826)
Designated fund - Property Improvements				
Fixed Asset fund	1	(11,386)	-	(11,385)
	280,935	(366,864)	2,405	(83,524)
<b>Restricted funds</b>				
Prize fund	8,990	(8,990)	-	-
Governance Review	-	(4,215)	-	(4,215)
Renovation fund	100,636	(57,126)	-	43,510
Women Artist Catalogue	1,500	(1,500)	-	-
Graduate Artists Programme	2,000	(120)	-	1,880
Tap machine	1,000	(1,000)	-	-
Catalogues	1,000	(1,000)	-	-
	115,126	(73,951)	-	41,175
<b>TOTAL FUNDS</b>	<u>396,061</u>	<u>(440,815)</u>	<u>2,405</u>	<u>(42,349)</u>

**Purpose of unrestricted funds**

Unrestricted fund - General fund

This fund represents the free funds of the charity that are not designated for particular purposes.

Designated fund - Brook Street Building Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the acquisition and refurbishment of the charity's freehold building which are shown separately from the charity's General fund.

Designated fund - Renovations fund

This fund consists of unrestricted funds that have been set aside by the trustees for essential renovation works to charity's freehold building located at Brook Street in Birmingham. All renovation work was completed in September 2022.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

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19. MOVEMENT IN FUNDS - continued

Designated fund - Repairs fund

This fund consists of unrestricted funds that have been set aside by the trustees for the on-going maintenance of the charity's freehold building located at Brook Street in Birmingham.

Designated fund - Reserve fund

This designated fund represents the approximate costs that would be incurred if the charity, for whatever reason, is unable to continue operating as a going concern.

Designated fund - Donated for Friends events

The Birmingham Midland Pastel Society have very generously donated £802 to support future Friends talks & events.

Designated fund - Property Improvements Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the property improvements of the charity's freehold building which are shown separately from the charity's General fund.

**Purpose of restricted funds**

Prize fund

This fund holds monies donated for cash prizes awarded at Royal Birmingham Society of Artists prize exhibitions.

Governance Review - funded by West Midlands Museums Development

The funded activity is supporting a board review of governance and diversity and the rewriting of the Articles of Association with legal support. This fund was fully expended in March 2022.

Renovation fund

To support the renovation and refurbishment of the RBSA Gallery. After over 20 years in this location, we needed to refurbish the existing windows and front door (which were in a bad state of repair), and redevelop the ground floor of the building to increase visitor figures and improve our retail offer to increase sales, crucial in the post COVID climate. This fund was fully expended in September 2022.

20. EMPLOYEE BENEFIT OBLIGATIONS

**Defined contribution schemes**

The charity contributes to the individual pension schemes of certain employees. The assets of these schemes are held separately from those of the charity in independently administered funds.

The total contributions for the year amounted to £1,706 (2022 - £1,723) and outstanding contributions as at 31 December 2023 amounted to £369 (2022 - £356).

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**21. RELATED PARTY DISCLOSURES**

As part of the ordinary activities of the charity, members (including trustees) may be paid for works of art sold by the gallery and may also be paid for workshop tutor fees. Any such transactions are made on similar terms to those paid to unconnected third parties.

**22. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees as listed in the Report of the Trustees.

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This page does not form part of the statutory financial statements

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**ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

England & Wales - Charity number 528894

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# Accounts

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**REGISTERED COMPANY NUMBER: 00122616 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 528894**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
FOR  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH**

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

Purposes and aims

The Society's objectives include the maintenance of a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

Our aim as an artist-led charity is to facilitate the creation and sharing of excellence in the visual arts. We achieve this by supporting artists in the development of their practice, by encouraging participation in creative arts activities to develop future generations of artists, by promoting our artistic programme in our own Gallery so it can be enjoyed by the widest audiences, and by providing interpretation and events to help our audiences develop their knowledge, understanding and enjoyment of the visual arts.

**Significant activities**

We deliver an inclusive artistic programme at the RBSA Gallery which includes major exhibitions of artwork by Members and Associates, Open/Prize Entry exhibitions (both open to non-members), gallery hire by artists or groups external to the RBSA, solo shows for members and curated displays from the RBSA Collection. All exhibitions are supported by free events such as talks, guided tours, art demonstrations and workshops for adults. The impact of the pandemic has meant that our ability to run in 2022 a dedicated programme of outreach and engagement activities for a diverse range of users has been restricted. Our Craft Shop (also online) showcases UK based designer-makers, many of whom are based in the West Midlands.

The Society can trace its origins back to 1814 and cherishes our heritage. We care for and promote our historic Archive and Collection of artworks predominantly by RBSA members which reflects that heritage. We have been an Accredited Museum since 2006 and that Accreditation was renewed for 5 years in November 2022. The Collection and Archive now comprises over 1,000 items and is managed by a dedicated Volunteer Archive Team offering intergenerational learning and work experience opportunities.

**Public benefit**

Ensuring our work delivers our aims

We reviewed our aims, objectives and activities at an informal Council meeting in November. This review looked at the Strengths, Weaknesses, Opportunities and Threats to the Society. As a result of this we identified some priorities which we will work on further in 2023. We are particularly concerned about raising the visibility of the Society in the City and are making effective partnerships with some other leading arts organisations including the Birmingham Royal Ballet and the Royal Birmingham Conservatoire. Both venues have hosted drawing sessions for our members and we hope to return in 2023. We are also considering other ways to raise our profile of our work and activities including more intensive networking. The Trustees are also anxious to develop current and new income streams and will be giving that particular attention in 2023.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Public benefit - continued**

During the year we extended the tenure of our Next Wave Associate artists into 2023. These artists were unable, like our members and Friends, to exhibit or come to events during the pandemic. Our NWA's are recent graduates who enjoy three years free membership of the Society and whom we give the opportunity to develop their practice and show their work alongside the membership. We also discount the entry fees and other charges of all those under 35 years of age by 50% to encourage submissions from younger artists as part of our public benefit programme.

Our Annual report last year referred to the dramatic impact of the pandemic on our activities. That is still having an effect. Some of our artists and visitors have felt a degree of apprehension in visiting the Gallery in the light of perceived rates of infection and their own health issues.

**OBJECTIVES AND ACTIVITIES**

**Volunteers**

Nevertheless, during 2022, some 80 volunteers assisted the Society in one form or another including in the Archive, receiving and hanging Exhibitions as well as 74 stewarding sessions at weekends. We are most grateful to all of our volunteers without whom the Gallery could not open on Saturdays and whose presence enriches the visitor experience and public benefits.

Particularly in the circumstances of the latter stages of the pandemic, the Trustees wish to record their thanks to the many artists in the Society and other volunteers for giving their time to demonstrate, take-in, hang, steward and undertake all manner of other tasks to keep the Gallery running. We are also grateful to our staff for coping so admirably during this difficult period.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

How our activities deliver public benefit

All of our charitable activities focus on our ability to maintain a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and their current guidance to charities in coping with the pandemic when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements

Notable achievements during the year ended 31 December 2022 included the following.

Despite being closed for building refurbishment for over 3 months we staged 7 RBSA sponsored exhibitions including our Bi-Annual Print Prize Exhibition. We also arranged 4 private hires of the gallery during the year including Heallreaf Tapestry, and Masterpeace Academy. Our thanks to them for their support. The Gallery sold £29,657 of artworks over the year.

Our Workshop Programme ran 27 sessions with 164 participants. There were some 300 participants in our educational activities (both adults and children) over the year. We also had 10 talks in the Gallery during the year in relation to the exhibition programme.

In addition, 9 RBSA artists had free solo exhibitions in the Ground Floor spaces. These exhibitions gave all artists a high-profile opportunity to show the development of their practice.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ACHIEVEMENT AND PERFORMANCE**

RBSA Friends' activities included two gallery visits and an artist appraisal session. We also held an Artists Talking event for the 2022 Members Exhibition. Our community outreach programme will resume in 2023 once a new Learning & Engagement Manager has been appointed.

Recovery from the pandemic continued to affect our visitor numbers alongside public transport strikes and adverse weather conditions both in the summer and winter. In addition, we were closed for over 3 months for building works (see later) therefore the increase in visitor numbers to 7887 in 2022, from 5,516 in 2021 is positive and we are confident that a full year of opening in 2023 will return numbers to pre-pandemic levels.

We continued to focus on increasing our social media presence through followers on Facebook, Instagram and Twitter as well as the Art Blog. Online platforms have been vital to continue to engage with our audience and the online shop enables us to generate additional sales income. During the year we commissioned the re-design of our website which was launched in December. We will be assessing how effective the changes have been in 2023.

The Trustees consider that because of the most challenging of circumstances the activities for the year as summarised above have delivered reduced public benefit, particularly in the field of education. We are determined to reinstate our programmes as soon as the new normal is established.

**REFURBISHMENT OF THE BUILDING**

The Society own the freehold of the Gallery in Brook Street, Birmingham. It has been in need of renovation for some time and a project to undertake the works has been worked on over the last six years but interrupted by the pandemic and the concern about having sufficient resources to fund the required works. However, at the Council meeting in February 2022 following a public tender process supervised and analysed by PMP, our appointed QS and Project Manager, a tender for building work was approved in the sum of £171,826 (excluding VAT) from Estilo Interiors with work scheduled to start in March 2022. The works would include new windows, door entrance, flooring, lighting, a complete re-configuration of the Ground Floor with a new room for education and new dedicated space for 3D objects in the basement. This would enable the re-purposing of the building as a much improved contemporary space.

Most of the Trusts we approached for support were most generous in responding to our application for funds and they are named in Note 6 of the Accounts and cover sums received in both 2021 and 2022. The Trustees of the Behrens Trust were particularly generous, for which we thank them. We also wish to record our sincere thanks to three Trustees who volunteered to raise funds for their time and effort. Their efforts raised around £90,000, the majority from charitable trusts but part of this sum came from sales of work that the membership donated. We thank the donating artists. Our thanks also go to the Gallery Director who was successful with bids to the Landfill Trust and a charitable trust. She also had the unenviable task of decanting all the office, gallery stock and equipment out of the building and moving back on completion of the contract.

These sums, together with the Kate Fryer Legacy, to whom we will be paying tribute with a permanent plaque in the gallery, gave the Trustees the confidence to proceed with the Contract and also to fund other related expenditure outside the contract to complete the project. The works required the closure of the building for over 3 months which was regarded as an unavoidable risk in view of the scale of the works required and the extent of disruption.

The outcome of the works has met with much favourable comment from our visitors and members. The Trustees wish to place on record their special thanks to Rob Neil, Past President, for chairing the Building Committee and acting as Client during the Contract. He has been involved in the Project since 2016 when it was first seriously mooted.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**FINANCIAL REVIEW**

**Financial position**

The Statement of Financial Activities on page 13 of the financial statements shows that for the year ended 31 December 2022 the charity achieved a surplus, after recognising net investment gains and losses, totalling £2,099 (2021 - £90,761 after recognising investment gains and losses).

As a result, the total net assets of the charity have increased from £703,916 as at 31 December 2021 to £706,015, as at 31 December 2022.

During the year, the charity incurred irrecoverable VAT of £37,083 (2021: £4,450) as a result of the property renovation work.

**Investment policy and objectives**

The charity has a small investment portfolio and the charity's Trustees have a policy of exploring and considering appropriate ways of investing reserves so as to increase income without exposing the charity to undue risks.

The total investment income received by the charity from the charity's investment portfolio increased during the year ended 31 December 2022 compared to the year ended 31 December 2021 and the market valuation of the charity's investment portfolio increased by £2,641 as at December 2022 compared to a £344 increase last year - see notes 5 and 14 to the financial statements for more detail.

**Reserves policy**

Our risk assessment has highlighted that we need to monitor our cash position carefully. This has been difficult this year and the Council received regular short-term forecasts.

On the current basis, our policy has been to fix the figure of £60,000 as a level at which the Council would have to consider serious action to reduce the operation of the Society's Gallery. The Trustees consider this figure to be a reasonable estimate of the cost of mothballing the Gallery and winding down the staff requirement. As last year, we consider that sum (or a more accurate estimate should it be calculated known as "The Designated Reserve Fund") should be deducted from the free reserves figure to show a more realistic picture of our financial situation. This reserves policy was adopted in 2018.

A "Designated Repairs Fund" was created in 2018 to ensure that the fabric of the Building is properly maintained in the future and this currently stands at £40,000 - see Note 18 to the Accounts.

**Going concern**

The pandemic and the lockdowns that have been in force have challenged the organisation. We have done more with artists Exhibitions now online where appropriate. We believe that with the support we have received from the Government through its furlough scheme for our staff and the local grants from the City Council that the Society is able to resume and maintain its current activities for the foreseeable future. The Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**FUTURE PLANS**

For 2023 we hope to re-establish our high quality exhibition programme starting with a Friends Exhibition in January alongside a Collection Exhibition of new acquisitions. Following that we will show our Biennial Photography Prize Exhibition. Later in the year, after the Candidates Exhibition we will be hosting the Exhibition for a re-named RBSA Graduate Programme, formerly the Next Wave Associates. This is a major programme to attract relatively recent graduate artists to be part of the Society early on in their career. As a result of this exhibition and interviews, we will elect a number of the exhibitors to be RBSA Graduate Artists. They will enjoy a 3 year membership free of charge in the hope that they will develop their practice and ultimately stand for Associateship thereby helping to diversify our membership and art forms.

The RBSA Open will be re-named the Summer Exhibition and we will hold a second Collection Exhibition featuring landscape works running alongside the summer workshop programme. A Drawing Prize exhibition will be the highlight of the early Autumn and the year will close with the Annual Members and Associates Exhibition preceded by Autumn Workshops. We will also be hosting solo shows on the Ground Floor and group and solo gallery hires during the year. It is our intention to have a fundamental review of the gallery programme during the course of 2023.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is a company limited by guarantee and was incorporated on 15 June 1912. The charity is governed by a Memorandum and Articles of Association. The Articles have been subject to a governance review by a group which reported to the Council. The Council recommended to an Extraordinary General Meeting held on 9 October 2022 a resolution that all fine and contemporary artforms shall now be accepted by the Society, the only exception being on grounds of artistic quality and presentation and that accordingly the resolutions a previous AGM regarding the exclusion of photography be amended. This resolution was debated fully and on being put to the vote was approved by a substantial majority. The Meeting then went on to consider a fresh set of Articles which were the subject of advice and drafting by the Society's lawyers, the Wilkes Partnership. They updated the 1969 version of the Articles to take account of new legislation, adopted improved governance with regard to the terms of office of Council members, codified current practice and recognised the impact of new technology including Zoom meetings. These were unanimously approved.

None of the Trustees has a beneficial interest in the charitable company. All of the Trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

**Recruitment and appointment of new trustees**

The Officers and voting members of the Council, being the Trustees, are elected from the Society's 180 or so Members and Associates and are responsible for the governance and management of the Society.

At the AGM on 12 June 2022, Viv Astling was elected President having served 11 years as Hon Secretary. Hannah Northam and Vivienne Cawson were re-elected Vice Presidents, Andrew Matheson was re-elected to the post of Hon Treasurer and Rob Leckey was elected to the office of Honorary Secretary. Ed Isaacs was re-elected Honorary Curator. There were no elections to the Council this year.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

In the opinion of the Trustees the key management personnel responsible for the direction, control, running and operation of the Society are the Officers and the Council to whom the Gallery Director reports regularly.

The Council met on 6 occasions during the year ended 31 December 2022 and there was one informal meeting to undertake a SWOT analysis. As part of our review of governance, the Council decided not to re-appoint the Advisory Committee. We place on record our thanks to those members of the Advisory Committee who had helped the Society both formally and informally.

Permanent staff at the end of the year comprise the Gallery Director, Marketing Manager, Exhibitions Coordinator, with two Front of House & Sales Assistants to cover weekdays and Saturdays and a freelance Accountant. The Learning post was appointed but the post-holder left after a few months.

The average number of employees for the year is listed as per note 11 to the financial statements. Their remuneration is reviewed annually, and any increase is based on the state of the charity's finances, the importance of retaining key staff, the requirement to meet statutory wage conditions and increases in the current cost of living.

**Induction and training of new trustees**

New Trustees are briefed on their legal obligations under charity law, the contents of the Society's Memorandum and Articles of Association, the Committee and decision-making processes and the recent financial performance of the Society. They are directed to the Charity Commission's note CC3a on the role of the Trustee to guide them in their work on the Council.

**Key management**

In the trustees' opinion, the key management personnel of The Royal Birmingham Society of Artists responsible for the direction, control, running and operation of The Royal Birmingham Society of Artists on a day-to-day basis consists of the Board of Trustees and the charity's senior staff such as the Gallery Director.

Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year.

None of the Trustees claimed any expenses as is confirmed in note 11 to the financial statements.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks that the Society faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. Risk Assessments were compiled by the Gallery Director highlighting the risks to the Society of operating the Gallery at the time of a pandemic and the ways such risks can be mitigated.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
00122616 (England and Wales)

**Registered Charity number**  
528894

**Registered office**

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

**Council Members**

V Astling	President	Elected 12 June 2022
V Cawson	Vice President	Re-elected 12 June 2022
H Northam	Vice President	Re-elected 12 June 2022
R Leckey	Honorary Secretary	Elected 12 June 2022
A Matheson	Honorary Treasurer	Re-elected 12 June 2022
E Isaacs	Honorary Curator	Re-elected 12 June 2022
C Griffin		- elected 1 August 2021
R Griffiths		- re-elected 1 August 2021
J Scott Martin		- ex-officio
M White		- ex-officio
R Neil		- ex-officio
S Evans		- ex-officio

**Associate Representatives**

A Pugh		Resigned 1 July 2022
R Everson		- elected 1 August 2021
M Flitcroft		Resigned 2 October 2022
O Swinscoe		- co-opted 17 August 2021

**Auditors**

J W Hinks LLP  
Chartered Accountants and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**Solicitors**

The Wilkes Partnership  
41 Church Street  
Birmingham  
B3 2RT

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 9 March 2023 and signed on its behalf by:



V Astling OBE – Chair of the Trustees



A Matheson RBSA – Hon Treasurer

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**Opinion**

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith ACA (Senior Statutory Auditor)  
for and on behalf of J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

Date: 9 March 2023

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	3	13,903	18,410	32,313	17,151
<b>Charitable activities</b>					
Operation of gallery	6	66,361	88,126	154,487	132,254
Other trading activities	4	48,348	-	48,348	48,318
Investment income	5	1,048	-	1,048	1,041
<b>Other income</b>					
HMRC Job Retention Scheme		-	-	-	6,447
Business interruption insurance		-	-	-	30,256
<b>Total</b>		<u>129,660</u>	<u>106,536</u>	<u>236,196</u>	<u>235,467</u>
<b>EXPENDITURE ON</b>					
Raising funds		-	4,858	4,858	-
<b>Charitable activities</b>					
Operation of gallery	7	<u>169,497</u>	<u>62,383</u>	<u>231,880</u>	<u>144,906</u>
Net gains on investments		<u>2,641</u>	-	<u>2,641</u>	<u>200</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(37,196)</b>	<b>39,295</b>	<b>2,099</b>	<b>90,761</b>
Transfers between funds	18	<u>78,775</u>	<u>(78,775)</u>	-	-
<b>Net movement in funds</b>		<b>41,579</b>	<b>(39,480)</b>	<b>2,099</b>	<b>90,761</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>664,436</u>	<u>39,480</u>	<u>703,916</u>	<u>613,155</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><b>706,015</b></u>	<u><b>-</b></u>	<u><b>706,015</b></u>	<u><b>703,916</b></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

**BALANCE SHEET**  
31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	517,589	-	517,589	320,055
Investments	14	18,087	-	18,087	15,447
		535,676	-	535,676	335,502
<b>CURRENT ASSETS</b>					
Debtors	15	5,898	-	5,898	35,797
Cash at bank		218,245	-	218,245	380,158
		224,143	-	224,143	415,955
<b>CREDITORS</b>					
Amounts falling due within one year	16	(53,804)	-	(53,804)	(47,541)
<b>NET CURRENT ASSETS</b>		170,339	-	170,339	368,414
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		706,015	-	706,015	703,916
<b>NET ASSETS</b>		706,015	-	706,015	703,916

The notes form part of these financial statements

BALANCE SHEET - continued  
31 DECEMBER 2022

FUNDS	18	2022 Total Funds £	2021 Total Funds
<b>Unrestricted funds:</b>			
- General fund		96,437	88,548
<b>Designated fund:</b>			
- Brook Street Building Fixed Asset fund		315,216	316,655
- Renovation fund (Property Improvements)		-	180,281
- Repairs fund		40,000	18,150
- Reserve fund		60,000	60,000
- Donated for events		802	802
- Property Improvements Fixed Asset fund		193,560	-
		<u>706,015</u>	<u>664,436</u>
<b>Restricted funds:</b>			
- Governance Review		-	4,200
- Renovation fund		-	35,280
		<u>-</u>	<u>39,480</u>
<b>TOTAL FUNDS</b>		<u>706,015</u>	<u>703,916</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9 March 2023 and were signed on its behalf by:



A Matheson RBSA – Hon Treasurer

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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1. ACCOUNTING POLICIES

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

**General information**

The Royal Birmingham Society of Artists is an incorporated charity registered with the Charity Commission in England and Wales. The address of the Royal Birmingham Society of Artists' registered office is Dakota House, 4 Brook Street, Birmingham, B3 1SA.

**Accounting convention**

The financial statements of the Royal Birmingham Society of Artists, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention as modified to include certain financial instruments at fair value and are presented in sterling which is the functional currency of the Royal Birmingham Society of Artists, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**GOING CONCERN**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

**FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**INCOME**

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

Grants and donations receivable which are intended for use in a specified period are accrued over the course of that period by the charity.

Sums received in advance are carried forward as deferred income.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established. Investment income relating to quoted fixed asset investments is accounted for on a receivable basis.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES - continued**

**INCOME**

All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Such costs are allocated between costs of activities in furtherance of the charity's objects, costs of generating funds and governance costs. Staff costs are allocated to the cost of staff working directly in the relevant department. Other costs have been either specifically identified or apportioned on an appropriate basis to each category.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charity's charitable activities.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows.

Freehold land	- not depreciated
Freehold buildings and	- 1% straight line method
Property improvements	- 5% straight line method
Fixtures, fittings and equipment	- 20% to 33% straight line method

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 net income/(expenditure) for the year.

1. **ACCOUNTING POLICIES - continued**

**FIXED ASSET INVESTMENTS**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

**DEBTORS**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**CREDITORS**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**IRRECOVERABLE VAT**

The charity is registered for Value Added Tax but is partially exempt as it makes both taxable and exempt supplies. The partial exempt status can result in the charity not recovering all of the Value Added Tax it has incurred on expenditure. Resources expended include the proportion of Value Added Tax on expenditure which cannot be recovered.

**FUND ACCOUNTING**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**EMPLOYEE BENEFITS**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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

**1. ACCOUNTING POLICIES - continued**

**HIRE PURCHASE AND LEASING COMMITMENTS**

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.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at amortised cost.

**GOVERNMENT GRANTS**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty.

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

3. DONATIONS

	2022 Total funds £	2021 Total £
Donations, gifts and sponsorship	<u>32,313</u>	<u>17,151</u>

Donations, gifts and sponsorship, included in the above, are as follows:

	2022 £	2021 £
Donations	22,597	8,113
Sponsorship	-	500
Gift Aid	<u>9,716</u>	<u>8,538</u>
	<u><u>32,313</u></u>	<u><u>17,151</u></u>

Donations in excess of £1,000 were received from the following organisations:

	2022 £	2021 £
C Alton	2,500	-
P Naylor	1,500	-
GMC Trust	3,250	1,250
Donations below £1,000	<u>15,347</u>	<u>6,863</u>
	<u><u>22,597</u></u>	<u><u>8,113</u></u>

4. OTHER TRADING ACTIVITIES

	2022 Total funds £	2021 Total funds £
Subscriptions - Members and Associates	36,247	36,108
Subscriptions - Friends of the RBSA	<u>12,101</u>	<u>12,210</u>
	<u><u>48,348</u></u>	<u><u>48,318</u></u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

5. INVESTMENT INCOME		2022	2021
		Total	Total
		funds	funds
		£	£
Income from listed investments		571	549
Interest receivable		<u>477</u>	<u>492</u>
		<u><b>1,048</b></u>	<u><b>1,041</b></u>
6. INCOME FROM CHARITABLE ACTIVITIES		2022	2021
		£	£
Grants	Activity	99,241	83,600
Gallery income	Operation of gallery	<u>55,246</u>	<u>48,654</u>
		<u><b>154,487</b></u>	<u><b>132,254</b></u>

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

	Unrestricted	Restricted	2022	2021
	funds	funds	£	£
	£	£		
Behrens Foundation	-	35,000	35,000	-
Birmingham City Council	4,000	-	4,000	29,600
Dumbreck Charity	-	-	-	5,000
Edward Cadbury Charitable Trust	-	10,000	10,000	-
GBSLEP Limited	-	-	-	3,000
GMC Trust	-	-	-	3,000
G J W Turner Trust	-	-	-	8,000
Ironbridge Gorge Museum Trust	-	-	-	4,500
Loppylugs	8,000	-	8,000	-
SUEZ	-	42,241	42,241	-
The Grimmitt Trust	-	-	-	5,000
The Oakley Charitable Trust	-	-	-	1,500
The Roughly Trust	-	-	-	2,000
The Saintbury Trust	-	-	-	2,000
William A Cadbury Charitable Trust	-	-	-	20,000
	<u>12,000</u>	<u>87,241</u>	<u>99,241</u>	<u>83,600</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Operation of gallery	<u>107,020</u>	<u>124,860</u>	<u>231,880</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	93,529	84,647
Prizes	4,400	1,750
Workshop tutors	4,496	3,239
Funded projects professional fees	<u>4,595</u>	<u>1,705</u>
	<u>107,020</u>	<u>91,341</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. SUPPORT COSTS

Support costs are those costs that have been incurred in order to further the continued development of the charity's charitable activities.

Support costs, included in the above, are as follows:

	2022	2021
	Operation of gallery £	Total activities £
Bank charges	512	831
Credit card charges	2,069	1,675
Repairs and maintenance	28,205	10,676
Printing and stationery	1,138	262
Light and heat	3,962	3,388
Telephone and postage	1,203	1,077
Publicity	3,520	2,307
Sundry expenses	1,389	1,053
Other operating leases	1,044	1,176
Photocopier	275	210
Catering	1,379	23
Irrecoverable VAT	37,083	4,450
Cleaning	3,215	2,423
Training	1,320	150
Computer expenses	13,635	5,246
Rates and insurance	4,456	3,236
Depreciation of tangible fixed assets	3,585	1,439
Auditors' remuneration	2,520	2,400
Auditors' remuneration for non audit work	1,260	1,200
Professional fees	<u>13,090</u>	<u>10,343</u>
	<u>124,860</u>	<u>53,565</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	2,520	2,400
Auditors' remuneration for non audit work	1,260	1,200
Depreciation - owned assets	3,030	1,439
Other operating leases	<u>1,044</u>	<u>1,176</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	89,707	81,344
Social security costs	2,098	1,556
Other pension costs	<u>1,724</u>	<u>1,747</u>
	<u>93,529</u>	<u>84,647</u>

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

	2022	2021
Management and administration	1	1
Charitable activities	<u>4</u>	<u>4</u>
	<u>5</u>	<u>5</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Improvements to property £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>				
At 1 January 2022	343,833	-	3,400	347,233
Additions	-	195,186	5,933	201,119
At 31 December 2022	343,833	195,186	9,333	548,352
<b>DEPRECIATION</b>				
At 1 January 2022	27,178	-	-	27,178
Charge for year	1,439	1,626	520	3,585
At 31 December 2022	28,617	1,626	520	30,763
<b>NET BOOK VALUE</b>				
At 31 December 2022	315,216	193,560	8,813	517,589
At 31 December 2021	316,655	-	3,400	320,055

Included in cost or valuation of land and buildings is freehold land of £200,000 (2021 - £200,000) which is not depreciated.

Pictures in the permanent collection, not included in the balance sheet as at 31 December 2022, amounted to £29,894 (2021 - £29,894) on a historical cost basis.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

14. FIXED ASSET INVESTMENTS

	Unrestricted Fund £	2022 £	2021 £
Market value at 1 January 2022	15,447	15,447	15,103
Additions at cost	-	-	143
Sale proceeds on disposal	-	-	-
Gain/(loss) in the year:			
- realised	-	-	-
- unrealised	2,640	2,640	201
	<u>18,087</u>	<u>18,087</u>	<u>15,447</u>
Total market value of investments at 31 December 2022			
	<u>12,130</u>	<u>12,130</u>	<u>12,130</u>

The following UK listed investments represent more than 5% of the portfolio valuation.

	2022 £	2021 £
Unilever	10,037	9,469
Royal Dutch Shell	7,025	4,218
	<u>17,062</u>	<u>13,687</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	3,822	2,910
Other debtors	-	30,270
Prepayments	2,076	2,617
	<u>5,898</u>	<u>35,797</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	9,374	3,179
Social security and other taxes	5,063	5,697
Other creditors	356	363
Accruals and deferred income	<u>39,011</u>	<u>38,302</u>
	<u>53,804</u>	<u>47,541</u>

Included within accruals and deferred income as at 31 December 2022 is the following:

Deferred gallery income totalling £3,713 (2021 - £2,743)  
Deferred membership income and entry fees totalling £11,665 (2021 - £11,465)  
Deferred donations and grants totalling £9,193 (2021 - £7,590)  
Deferred sponsorship £1,000 (2021 £nil)

17. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	944	575
Between one and five years	<u>944</u>	<u>-</u>
	<u>1,888</u>	<u>575</u>

Operating lease payments represent rentals payable by the charity for certain items of equipment. No restrictions are placed on the use of these assets and the average lease term is 3 years. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

18. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	88,548	(28,910)	36,799	96,437
Designated fund - Brook Street Building Fixed Asset fund	316,655	(1,439)	-	315,216
Designated fund - Renovation fund	180,281	-	(180,281)	-
Designated fund - Repairs fund	18,150	(5,221)	27,071	40,000
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	802	-	-	802
Designated fund – Property Improvements Fixed Asset fund	-	(1,626)	195,186	193,560
	<u>664,436</u>	<u>(37,196)</u>	<u>78,775</u>	<u>706,015</u>
<b>Restricted funds</b>				
Governance Review	4,200	(4,215)	15	-
Renovation fund	35,280	43,510	(78,790)	-
	<u>39,480</u>	<u>39,295</u>	<u>(78,775)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>703,916</u>	<u>2,099</u>	<u>-</u>	<u>706,015</u>
Net movement in funds, included in the above are as follows:				
	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	129,660	(161,211)	2,641	(28,910)
Designated fund - Brook Street Building Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund – Repairs fund	-	(5,221)	-	(5,221)
Designated fund – Property Improvements Fixed Asset fund	-	(1,626)	-	(1,626)
	<u>129,660</u>	<u>(169,497)</u>	<u>2,641</u>	<u>(37,196)</u>
<b>Restricted funds</b>				
Prize fund	4,400	(4,400)	-	-
Governance Review	-	(4,215)	-	(4,215)
Renovation fund	100,636	(57,126)	-	43,510
Women Artist Catalogue	1,500	(1,500)	-	-
	<u>106,536</u>	<u>(67,241)</u>	<u>-</u>	<u>39,295</u>
<b>TOTAL FUNDS</b>	<u>236,196</u>	<u>(236,738)</u>	<u>2,641</u>	<u>2,099</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	35,330	54,496	(1,278)	88,548
Designated fund - Brook Street Building Fixed Asset fund	318,094	(1,439)	-	316,655
Designated fund - Renovation fund	180,281	-	-	180,281
Designated fund - Repairs fund	20,000	(1,850)	-	18,150
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	-	802	-	802
	<u>613,705</u>	<u>52,009</u>	<u>(1,278)</u>	<u>664,436</u>
<b>Restricted funds</b>				
GBSLEP Online Shop Research & Development	(550)	(728)	1,278	-
Governance Review	-	4,200	-	4,200
Renovation fund	-	35,280	-	35,280
	<u>(550)</u>	<u>38,752</u>	<u>1,278</u>	<u>39,480</u>
<b>TOTAL FUNDS</b>	<u>613,155</u>	<u>90,761</u>	<u>-</u>	<u>703,916</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	180,428	(126,132)	200	54,496
Designated fund - Brook Street Building Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Repairs fund	-	(1,850)	-	(1,850)
Designated fund - Donated for events	802	-	-	802
	181,230	(129,421)	200	52,009
<b>Restricted funds</b>				
Prize fund	1,750	(1,750)	-	-
GBSLEP Online Shop Research & Development	3,000	(3,728)	-	(728)
Ladywood Community Centre Project	3,000	(3,000)	-	-
Governance Review	4,500	(300)	-	4,200
Renovation fund	41,987	(6,707)	-	35,280
	54,237	(15,485)	-	38,752
<b>TOTAL FUNDS</b>	<u>235,467</u>	<u>(144,906)</u>	<u>200</u>	<u>90,761</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	35,330	25,586	35,521	96,437
Designated fund - Brook Street Building Fixed Asset fund	318,094	(2,878)	-	315,216
Designated fund - Renovation fund	180,281	-	(180,281)	-
Designated fund - Repairs fund	20,000	(7,071)	27,071	40,000
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	-	802	-	802
Designated fund - Property Improvements Fixed Asset fund	-	(1,626)	195,186	193,560
	<u>613,705</u>	<u>14,813</u>	<u>77,497</u>	<u>706,015</u>
<b>Restricted funds</b>				
GBSLEP Online Shop Research & Development	(550)	(728)	1,278	-
Governance Review	-	(15)	15	-
Renovation fund	-	78,790	(78,790)	-
	<u>(550)</u>	<u>78,047</u>	<u>(77,497)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>613,155</u>	<u>92,860</u>	<u>-</u>	<u>706,015</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	310,088	(287,343)	2,841	25,586
Designated fund - Brook Street Building Fixed Asset fund	-	(2,878)	-	(2,878)
Designated fund - Repairs fund	-	(7,071)	-	(7,071)
Designated fund - Donated for events	802	-	-	802
Designated fund - Property Improvements Fixed Asset fund	-	(1,626)	-	(1,626)
	<u>310,890</u>	<u>(298,918)</u>	<u>2,841</u>	<u>14,813</u>
<b>Restricted funds</b>				
Prize fund	6,150	(6,150)	-	-
GBSLEP Online Shop Research & Development	3,000	(3,728)	-	(728)
Ladywood Community Centre Project	3,000	(3,000)	-	-
Governance Review	4,500	(4,515)	-	(15)
Renovation fund	142,623	(63,833)	-	78,790
Women Artist Catalogue	1,500	(1,500)	-	-
	<u>160,773</u>	<u>(82,726)</u>	<u>-</u>	<u>78,047</u>
<b>TOTAL FUNDS</b>	<u>471,663</u>	<u>(381,644)</u>	<u>2,841</u>	<u>92,860</u>

**Purpose of unrestricted funds**

Unrestricted fund - General fund

This fund represents the free funds of the charity that are not designated for particular purposes.

Designated fund - Brook Street Building Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the acquisition and refurbishment of the charity's freehold building which are shown separately from the charity's General fund.

Designated fund - Renovations fund

This fund consists of unrestricted funds that have been set aside by the trustees for the renovation works to the charity's freehold building located at Brook Street in Birmingham. All renovation work was completed in September 2022.

**18. MOVEMENT IN FUNDS - continued**

Designated fund - Repairs fund

This fund consists of unrestricted funds that have been set aside by the trustees for the on-going maintenance of the charity's freehold building located at Brook Street in Birmingham.

Designated fund - Reserve fund

This designated fund represents the approximate costs that would be incurred if the charity, for whatever reason, is unable to continue operating as a going concern.

Designated fund - Donated for Friends events

The Birmingham Midland Pastel Society have very generously donated £802 to support future Friends talks & events.

Designated fund – Property Improvements Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the property improvements of the charity's freehold building which are shown separately from the charity's General fund.

**Purpose of restricted funds**

Prize fund

This fund holds monies donated for cash prizes awarded at Royal Birmingham Society of Artists prize exhibitions.

Arts Council England Emergency Response Fund

In response to the Covid-19 crisis, ACE made emergency funding available to organisations who needed immediate support. The grant supported the business through the first lockdown period and covered fees to freelance artists who were due to run workshops in Summer 2020. A small amount also provided laptops to support staff members working remotely. This fund was fully expended as at 31 December 2020.

GBSLEP Online Shop Research & Development

Greater Birmingham and Solihull Local Enterprise Partnership grant to research and develop an online shop from November 2020 to Feb 2021. The shop launched in November 2020. This fund was fully expended as at 31 December 2021.

Ladywood Community Centre Project

The Ladywood Community Project provides help and support to families and the local community. They help those on low incomes or in extreme financial hardship to manage their day to day needs by encouraging them to feel part.

Artist and printmaker Karoline Rennie worked with the community centre coordinators to design a printmaking project where the final piece became a wall hanging which featured in the annual Christmas Grotto. The project ran from September to December 2021 with an initial session at RBSA Gallery and further sessions at Ladywood Community Project. Participants ranged in age from very young children, school aged children, parents and grandparents. The results of all participants printmaking were brought together in the final wall hanging. This fund was fully expended as at 31 December 2021.

**18. MOVEMENT IN FUNDS - continued**

Governance Review - funded by West Midlands Museums Development

The funded activity is supporting a board review of governance and diversity and the rewriting of the Articles of Association with legal support. This fund was fully expended in March 2022.

Renovation fund

To support the renovation and refurbishment of the RBSA Gallery. After over 20 years in this location, we need to refurbish the existing windows and front door (which are in a bad state of repair) and redevelop the ground floor of the building to increase visitor figures and improve our retail offer to increase sales, crucial in the post COVID climate. This fund was fully expended in September 2022.

**19. EMPLOYEE BENEFIT OBLIGATIONS**

**Defined contribution schemes**

The charity contributes to the individual pension schemes of certain employees. The assets of these schemes are held separately from those of the charity in independently administered funds.

The total contributions for the year amounted to £1,723 (2021 - £1,717) and outstanding contributions as at 31 December 2022 amounted to £356 (2021 - £363).

**20. RELATED PARTY DISCLOSURES**

As part of the ordinary activities of the charity, members (including trustees) may be paid for works of art sold by the gallery and may also be paid for workshop tutor fees. Any such transactions are made on similar terms to those paid to unconnected third parties.

**21. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees as listed in the Report of the Trustees.

**ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

England & Wales - Charity number 528894

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# Accounts

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**REGISTERED COMPANY NUMBER: 00122616 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 528894**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

###### Purposes and aims

The Society's objectives include the maintenance of a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

Our aim as an artist-led charity is to facilitate the creation and sharing of excellence in the visual arts. We achieve this by supporting artists in the development of their practice, by encouraging participation in creative arts activities to develop future generations of artists, by promoting our artistic programme in our own Gallery so it can be enjoyed by the widest audiences, and by providing interpretation and events to help our audiences develop their knowledge, understanding and enjoyment of the visual arts.

##### Significant activities

We deliver an inclusive artistic programme at the RBSA Gallery which includes major exhibitions of artwork by Members and Associates, Open/Prize Entry exhibitions (open to non-members), solo shows and curated displays from the RBSA Collection. All exhibitions are supported by free events such as talks, guided tours, art demonstrations and workshops for both children and adults. In tandem, we run a dedicated programme of outreach and engagement activities for a diverse range of users. Our Craft Shop (also online) showcases UK based designer-makers, many of whom are based in the West Midlands.

We care for and promote our historic Archive and Collection of artworks predominantly by RBSA members. We have been an Accredited Museum since 2006. The Collection and Archive is managed by a dedicated Volunteer Archive Team offering intergenerational learning and work experience opportunities.

##### Public benefit

###### Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the calendar year of 2021. Our Annual report last year referred to the dramatic impact of the pandemic on our activities. As a result of government advice and requirements on grounds of public health, our Exhibition and Education programmes have for a second year been severely restricted. The Gallery was closed at the beginning of the year and reopened on 20 April as soon as essential retail was permitted to open. The delayed 2020 Members and Associates Exhibition reopened the Gallery programme. The numbers of visitors was very low as hospitality venues had not been allowed to re-open but it was felt that we should 'wave the visual arts flag' and provide a welcome alternative to the 'stay at home' instructions.

Against this background of the Gallery being open but on a Covid-restricted basis with social distancing rules, our ability to deliver the outcomes that we would normally expect have been severely curtailed. In addition, some of our artists and visitors have felt a degree of apprehension in visiting the Gallery in the light of prevailing rates of infection and their own health issues.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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#### OBJECTIVES AND ACTIVITIES

##### Volunteers

Nevertheless, during 2021, some 67 volunteers assisted the Society in one form or another including in the Archive, receiving and hanging Exhibitions as well as 84 stewarding sessions at weekends. We are most grateful to all of our volunteers without whom the Gallery could not open on Saturdays and whose presence enriches the visitor experience and public benefit.

Particularly in the circumstances of the pandemic, the Trustees wish to record their thanks to the many artists in the Society and other volunteers for giving their time to demonstrate, take-in, hang, steward and undertake all manner of other tasks to keep the Gallery running smoothly. Some artists donated work for the Studio Sale which we held in September along with the Silent Auction of selected works. We are also most grateful to our dedicated staff. The Gallery Director, Sanna Moore, has been employed without interruption for the whole year to look after the Gallery whilst in lockdown and prepare Risk Assessments to permit the Gallery to re-open. All the other staff except the Marketing Coordinator have been furloughed for long periods.

#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### How our activities deliver public benefit

All of our charitable activities focus on our ability to maintain a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and their current guidance to charities in coping with the pandemic when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

##### Achievements

Notable achievements during the year ended 31 December 2021 included the following.

We staged 8 RBSA sponsored exhibitions some of which were also Online Exhibitions including our Bi-Annual Photographic Exhibition. We also arranged 3 private hires of the gallery during the year including Aberystwyth Printmakers, and the Society of Designer Craftsmen. Our thanks to them for their support. The Gallery sold £45,073 of artworks over the year (£31,678 in 2020).

Our Workshop Programme ran 19 sessions over the year with 129 participants. There were some 350 participants in all of our educational activities (both adults and children) over the year. We also had 4 talks in the Gallery and one Online with 14 attendees.

In addition, 15 RBSA artists had free solo exhibitions on the Ground Floor and in the Cafe Space. These exhibitions gave all artists a high-profile opportunity to show the development of their practice.

We had a comprehensive programme of events planned but due to the pandemic these could not be delivered. However, we were able to resume a few public talks and some Friends activities with artists mentoring and talks. We also held an Artists Talking event for the 2021 Members Exhibition. Our activities in the community have also been severely curtailed: although we may have wished to deliver programmes, local organisations have been reluctant to participate because of the problems of working within the Covid rules. We are grateful to the Ladywood Community project for partnering with us in their project which was funded by the GJW Turner Trust which we completed in December.

The pandemic had a major effect on our visitor numbers but increased from 4,350 in 2020 to 5,516 in 2021. The City Centre and the Jewellery Quarter are still a long way from getting back to pre-pandemic visitor numbers.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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We continued to focus on increasing our social media presence through followers on Facebook, Instagram and Twitter as well as the Art Blog. Online platforms have been vital to continue to engage with our audience during lockdowns. The online shop enables us to generate sales income during closure.

The Trustees consider that because of the most challenging of circumstances the activities for the year as summarised above have delivered reduced public benefit, particularly in the field of education. We are determined to reinstate our programmes as soon as the new normal is established.

#### FINANCIAL REVIEW

##### Financial position

The Statement of Financial Activities on page 11 of the financial statements shows that for the year ended 31 December 2021 the charity achieved a surplus in unrestricted funds of £50,731 after recognising net investment gains and losses. This surplus included HMRC furlough income of £6,447 and Business interruption insurance income of £30,256 that will not be repeated in 2022.

Restricted funds showed a surplus of £40,030 and the majority of this surplus is expected to be spent on the renovation of the gallery in 2022.

As a result, the total net assets of the charity have increased from £613,155 as at 31 December 2020 to £703,916, as at 31 December 2021.

##### Investment policy and objectives

The charity has a small investment portfolio and the charity's Trustees have a policy of exploring and considering appropriate ways of investing reserves so as to increase income without exposing the charity to undue risks.

The total investment income received by the charity from the charity's investment portfolio decreased during the year ended 31 December 2021 compared to the year ended 31 December 2020 and the market valuation of the charity's investment portfolio increased by £200 as at December 2021 compared to a decrease last year - see notes 5 and 15 to the financial statements for more detail.

##### Reserves policy

Our risk assessment has highlighted that we need to monitor our cash position carefully. This has been difficult this year and the Council received regular short-term forecasts.

On the current basis, our policy has been to fix the figure of £60,000 as a level at which the Council would have to consider serious action to reduce the operation of the Society's Gallery. The Trustees consider this figure to be a reasonable estimate of the cost of mothballing the Gallery and winding down the staff requirement. As last year, we consider that sum (or a more accurate estimate should it be calculated known as "The Designated Reserve Fund") should be deducted from the free reserves figure to show a more realistic picture of our financial situation. This reserves policy was adopted in 2018.

A "Designated Repairs Fund" was created in 2018 to ensure that the fabric of the Building is properly maintained in the future and stands at £20,000, having increased that figure by £10,000 last year - see Note 19 to the Accounts. The Trustees do not intend to add to that provision this year.

##### Going concern

The pandemic and the lockdowns that have been in force have challenged the organisation. We have done more with artists Exhibitions now online where appropriate. We believe that with the support we have received from the Government through its furlough scheme for our staff and the local grants from the City Council that the Society is able to resume and maintain its current activities for the foreseeable future. The Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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#### FUTURE PLANS

Due to the pandemic, we have not been able to plan our forward programme with the usual certainty. In addition, as will be seen below we are about to enter a Building Contract for re-purposing the Gallery to provide exhibition and educational facilities of a much higher standard than at present. However, as soon as we re-open, we will be holding a Members and Friends Exhibition, followed by an Exhibition from the RBSA Collection celebrating the role of women in the Society as it is 70 years since the first woman was elected. This will be held at the time of the Birmingham Commonwealth Games. The Gallery will also host some private hires and the year will end with the Annual Members and Associates Exhibition.

#### Building Project

In late 2017, the Council commissioned Pinnegar Hayward Design to produce plans for the refurbishment of the Gallery. This has been overseen by a small Building Committee. The plans went out for consultation to the membership, the Friends and the public as well as seeking views from a wide selection of stakeholders, partners and individuals. As reported last year we looked, with the help of professional advisers, at the possibility of relocating the Gallery but did not find a suitable affordable alternative. We also had concerns about the impact of proposed transport changes in the City and decided to stay in our present location and undertake a refurbishment aimed at re-purposing the Gallery in a more contemporary way.

A list of works improving the building and dealing with some essential repairs has been drawn up by the Building Committee, approved by the Council and presented to the 2021 AGM.

Two of the Trustees have led a fundraising effort to a number of charities that have supported the Society previously and that has led to grants in excess of £70,000 being raised and the Gallery Director has applied to a Landfill Trust for further support. In addition, another Trustee put together ways of attracting support from the membership including a Donated Works Exhibition, a raffle and other events. We are most grateful to those Charities who approved grants towards the cost of the work and also to all those who donated their own artworks or participated in other ways to help fund the project. Our professional team has put the work out to tender with a view to a recommended contractor and price being put to Council in mid-February for a start in March, thus closing the Gallery for a number of weeks.

It should be noted that there is a Renovation fund created for this work - see Note 19 to the Accounts.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is a company limited by guarantee and was incorporated on 15 June 1912. The charity is governed by a Memorandum and Articles of Association which were last amended on 2 January 1969.

None of the Trustees has a beneficial interest in the charitable company. All of the Trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

##### Recruitment and appointment of new trustees

The Officers and members of the Council, being the Trustees, are elected from the Society's 180 or so Members and Associates and are responsible for the governance and management of the Society.

At the delayed AGM in August 2021, Steve Evans was elected President, Hannah Northam and Vivienne Cawson were elected Vice Presidents, Andrew Matheson and Viv Astling were re-elected to the offices of Honorary Treasurer and Honorary Secretary respectively and Ed Isaacs elected Honorary Curator. Roger Griffiths was re-elected a Council Member and Caroline Griffin elected a Council Member. Ryan Everson and Mary Flitcroft were elected as Associates Representatives on the Council.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure and Gallery Director**

In the opinion of the Trustees the key management personnel responsible for the direction, control, running and operation of the Society are the Officers and the Council to whom the Gallery Director reports regularly.

The Council met on 6 occasions during the year ended 31 December 2021, one of which was via Zoom and there was 1 meeting of the Advisory Committee. The Council at its August meeting established a small group to review the constitutional arrangements for the Society and to make recommendations on the scope of the Society, its election and membership systems. The outcome of these deliberations will be considered by the Council in 2022.

Permanent staff at the end of the year comprise the Gallery Director, Marketing manager, Exhibitions Coordinator, Retail & Front of House Coordinator with one Gallery Assistant to cover weekends and a freelance Accountant. The Learning post will be appointed after the reopening of the Gallery.

The average number of employees for the year is listed as per note 13 to the financial statements. Their remuneration is reviewed annually, and any increase is based on the state of the charity's finances, the importance of retaining key staff, the requirement to meet statutory wage conditions and increases in the current cost of living.

##### **Induction and training of new trustees**

New Trustees are briefed on their legal obligations under charity law, the contents of the Society's Memorandum and Articles of Association, the Committee and decision-making processes and the recent financial performance of the Society. They are directed to the Charity Commission's note CC3a on the role of the Trustee to guide them in their work on the Council.

##### **Key management remuneration**

In the trustees' opinion, the key management personnel of The Royal Birmingham Society of Artists responsible for the direction, control, running and operation of The Royal Birmingham Society of Artists on a day-to-day basis consists of the Board of Trustees and the charity's senior staff such as the Gallery Director.

##### Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year.

None of the Trustees claimed any expenses as is confirmed in note 12 to the financial statements.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks that the Society faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. Two Members make regular checks to ensure that the computer records accord to the actual bank statement and look at random expenditure against financial statements. Risk Assessments have also been compiled by the Gallery Director highlighting the risks to the Society of operating the Gallery at the time of a pandemic and the ways such risks can be mitigated.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

00122616 (England and Wales)

**Registered Charity number**

528894

**Registered office**

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

**Council Members**

S Evans	President	- elected 1 August 2021
V Cawson	Vice President	- elected 1 August 2021
H Northam	Vice President	- elected 1 August 2021
V Astling	Honorary Secretary	- re-elected 1 August 2021
A Matheson	Honorary Treasurer	- re-elected 1 August 2021
E Isaacs	Honorary Curator	- elected 1 August 2021
C Griffin		- elected 1 August 2021
R Griffiths		- re-elected 1 August 2021
J Scott Martin		- ex-officio
M White		- ex-officio
R Neil		- ex-officio
W Attwood		- ex-officio

**Associate Representatives**

A Pugh	- re-elected 26 July 2020
R Eveson	- elected 1 August 2021
M Flitcroft	- elected 1 August 2021
O Swincoe	- co-opted 17 August 2021

**Auditors**

J W Hinks LLP  
Chartered Accountants and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**Solicitors**

The Wilkes Partnership  
41 Church Street  
Birmingham  
B3 2RT

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the trustees are aware:


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

**AUDITORS**

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 April 2022 and signed on its behalf by:

  
.....  
V Astling OBE RBSA, Honorary Secretary

  
.....  
A Matheson RBSA, Honorary Treasurer

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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**Opinion**

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
  - Evaluating and understanding the internal control system.
  - Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
  - Testing documentation supporting account balances or classes of transactions.
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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith ACA (Senior Statutory Auditor)  
for and on behalf of J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

Date: 29-04-2022

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	3	13,914	3,237	17,151	18,167
<b>Charitable activities</b>					
Operation of gallery	6	81,254	51,000	132,254	103,589
Other trading activities	4	48,318	-	48,318	46,178
Investment income	5	1,041	-	1,041	1,155
<b>Other income</b>					
HMRC Job Retention Scheme	7	6,447	-	6,447	13,551
Business interruption insurance	7	<u>30,256</u>	<u>-</u>	<u>30,256</u>	<u>-</u>
<b>Total</b>		<b>181,230</b>	<b>54,237</b>	<b>235,467</b>	<b>182,640</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Operation of gallery	8	129,421	15,485	144,906	165,135
Net gains/(losses) on investments		<u>200</u>	<u>-</u>	<u>200</u>	<u>(2,812)</u>
<b>NET INCOME</b>		<b>52,009</b>	<b>38,752</b>	<b>90,761</b>	<b>14,693</b>
<b>Transfers between funds</b>	19	<u>(1,278)</u>	<u>1,278</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>50,731</b>	<b>40,030</b>	<b>90,761</b>	<b>14,693</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>613,705</b>	<b>(550)</b>	<b>613,155</b>	<b>598,462</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>664,436</u></b>	<b><u>39,480</u></b>	<b><u>703,916</u></b>	<b><u>613,155</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

BALANCE SHEET  
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	316,655	3,400	320,055	318,094
Investments	15	<u>15,447</u>	<u>-</u>	<u>15,447</u>	<u>15,103</u>
		<b>332,102</b>	<b>3,400</b>	<b>335,502</b>	<b>333,197</b>
<b>CURRENT ASSETS</b>					
Debtors	16	35,797	-	35,797	9,279
Cash at bank		<u>340,678</u>	<u>39,480</u>	<u>380,158</u>	<u>310,080</u>
		<b>376,475</b>	<b>39,480</b>	<b>415,955</b>	<b>319,359</b>
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>(44,141)</u>	<u>(3,400)</u>	<u>(47,541)</u>	<u>(39,401)</u>
<b>NET CURRENT ASSETS</b>		<u><b>332,334</b></u>	<u><b>36,080</b></u>	<u><b>368,414</b></u>	<u><b>279,958</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>664,436</b></u>	<u><b>39,480</b></u>	<u><b>703,916</b></u>	<u><b>613,155</b></u>
<b>NET ASSETS</b>		<u><u><b>664,436</b></u></u>	<u><u><b>39,480</b></u></u>	<u><u><b>703,916</b></u></u>	<u><u><b>613,155</b></u></u>

The notes form part of these financial statements

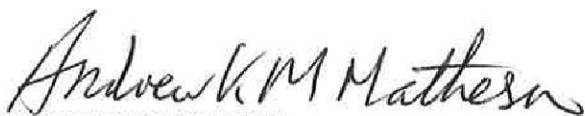
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

BALANCE SHEET - continued  
31 DECEMBER 2021

	Notes	2021 Total funds £	2020 Total funds £
<b>FUNDS</b>	19		
<b>Unrestricted funds:</b>			
- General fund		88,548	35,330
<b>Designated funds:</b>			
- Brook Street Building Fixed Asset fund		316,655	318,094
- Renovation fund		180,281	180,281
- Repairs fund		18,150	20,000
- Reserve fund		60,000	60,000
- Donated for events		802	-
		<u>664,436</u>	<u>613,705</u>
<b>Restricted funds:</b>			
GBSLEP Online Shop Research & Development		-	(550)
Governance Review		4,200	-
Renovation fund		35,280	-
		<u>39,480</u>	<u>(550)</u>
<b>TOTAL FUNDS</b>		<u>703,916</u>	<u>613,155</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 April 2022 and were signed on its behalf by:



A Matheson RBSA - Trustee

The notes form part of these financial statements

**1. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

**General information**

The Royal Birmingham Society of Artists is an incorporated charity registered with the Charity Commission in England and Wales. The address of the Royal Birmingham Society of Artists' registered office is Dakota House, 4 Brook Street, Birmingham, B3 1SA.

**Accounting convention**

The financial statements of the Royal Birmingham Society of Artists, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention as modified to include certain financial instruments at fair value and are presented in sterling which is the functional currency of the Royal Birmingham Society of Artists, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**GOING CONCERN**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

**FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**INCOME**

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

Grants and donations receivable which are intended for use in a specified period are accrued over the course of that period by the charity.

Sums received in advance are carried forward as deferred income.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established. Investment income relating to quoted fixed asset investments is accounted for on a receivable basis.

**1. ACCOUNTING POLICIES - continued**

**INCOME**

All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Such costs are allocated between costs of activities in furtherance of the charity's objects, costs of generating funds and governance costs. Staff costs are allocated to the cost of staff working directly in the relevant department. Other costs have been either specifically identified or apportioned on an appropriate basis to each category.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charity's charitable activities.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows.

Freehold land	- not depreciated
Freehold buildings	- 1% straight line method
Fixtures, fittings and equipment	- 20% to 33% straight line method

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 net income/(expenditure) for the year.

1. **ACCOUNTING POLICIES - continued**

**FIXED ASSET INVESTMENTS**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

**DEBTORS**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**CREDITORS**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**IRRECOVERABLE VAT**

The charity is registered for Value Added Tax but is partially exempt as it makes both taxable and exempt supplies. The partial exempt status can result in the charity not recovering all of the Value Added Tax it has incurred on expenditure. Resources expended include the proportion of Value Added Tax on expenditure which cannot be recovered.

**FUND ACCOUNTING**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**EMPLOYEE BENEFITS**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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

**1. ACCOUNTING POLICIES - continued**

**HIRE PURCHASE AND LEASING COMMITMENTS**

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.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at amortised cost.

**GOVERNMENT GRANTS**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty.

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

3. DONATIONS

	2021 Total funds £	2020 Total funds £
Donations, gifts and sponsorship	<u>17,151</u>	<u>18,167</u>

Donations, gifts and sponsorship, included in the above, are as follows:

	2021 £	2020 £
Donations	8,113	7,633
Sponsorship	500	500
Gift Aid	<u>8,538</u>	<u>10,034</u>
	<u>17,151</u>	<u>18,167</u>

Donations in excess of £1,000 were received from the following organisations:

	2021 £	2020 £
GMC Trust	1,250	1,500
Donations below £1,000	<u>6,863</u>	<u>6,133</u>
	<u>8,113</u>	<u>7,633</u>

4. OTHER TRADING ACTIVITIES

	2021 Total funds £	2020 Total funds £
Subscriptions - Members and Associates	36,108	36,273
Subscriptions - Friends of the RBSA	<u>12,210</u>	<u>9,905</u>
	<u>48,318</u>	<u>46,178</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. INVESTMENT INCOME

	2021 Total funds £	2020 Total funds £
Income from listed investments	549	553
Interest receivable	<u>492</u>	<u>602</u>
	<u><b>1,041</b></u>	<u><b>1,155</b></u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Grants	<b>83,600</b>	71,902
Gallery income	<u><b>48,654</b></u>	<u>31,687</u>
	<u><b>132,254</b></u>	<u><b>103,589</b></u>

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

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Arts Council England	-	-	-	29,262
Birmingham City Council	<b>29,600</b>	-	<b>29,600</b>	26,143
Dumbreck Charity	-	<b>5,000</b>	<b>5,000</b>	-
GBSLEP Limited	-	<b>3,000</b>	<b>3,000</b>	-
GMC Trust	<b>3,000</b>	-	<b>3,000</b>	-
G J W Turner Trust	-	<b>8,000</b>	<b>8,000</b>	-
West Midlands Museums Development	-	<b>4,500</b>	<b>4,500</b>	-
Loppylugs	-	-	-	14,500
S & D Lloyd Charitable Trust	-	-	-	500
Sense	-	-	-	1,497
The Grimmitt Trust	-	<b>5,000</b>	<b>5,000</b>	-
The Oakley Charitable Trust	-	<b>1,500</b>	<b>1,500</b>	-
The Roughly Trust	-	<b>2,000</b>	<b>2,000</b>	-
The Saintbury Trust	-	<b>2,000</b>	<b>2,000</b>	-
William A Cadbury Charitable Trust	-	<b>20,000</b>	<b>20,000</b>	-
	<u><b>32,600</b></u>	<u><b>51,000</b></u>	<u><b>83,600</b></u>	<u><b>71,902</b></u>

7. OTHER INCOME

**GOVERNMENT GRANT INCOME**

During the year, HMRC Job Retention Scheme receipts were received totalling £6,447 (2020 - £13,551).

**BUSINESS INTERRUPTION**

In January 2022 the RBSA received £30,256 for business interruption in relation to the gallery closures during Covid-19 closures in 2020 (£19,556) and 2021 (£10,700).

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Operation of gallery	<u>91,341</u>	<u>53,565</u>	<u>144,906</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	84,647	88,580
Prizes	1,750	2,500
Workshop tutors	3,239	5,948
Funded projects professional fees	<u>1,705</u>	<u>4,299</u>
	<u>91,341</u>	<u>101,327</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

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10. SUPPORT COSTS

Support costs are those costs that have been incurred in order to further the continued development of the charity's charitable activities.

Support costs, included in the above, are as follows:

	2021	2020
	Operation of gallery £	Total activities £
Bank charges	831	1,068
Credit card charges	1,675	911
Repairs and maintenance	10,676	10,900
Printing and stationery	262	2,433
Light and heat	3,388	3,957
Telephone and postage	1,077	2,164
Publicity	2,307	1,633
Sundry expenses	1,053	1,134
Other operating leases	1,176	1,151
Photocopier	210	184
Catering	23	2
Irrecoverable VAT	4,450	4,688
Cleaning	2,423	1,836
Training	150	145
Computer expenses	5,246	11,565
Rates and insurance	3,236	3,589
Depreciation of tangible fixed assets	1,439	1,439
Auditors' remuneration	2,400	2,600
Auditors' remuneration for non audit work	1,200	1,200
Professional fees	<u>10,343</u>	<u>11,209</u>
	<u>53,565</u>	<u>63,308</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**11. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	2,400	2,600
Auditors' remuneration for non audit work	1,200	1,200
Depreciation - owned assets	1,439	1,439
Other operating leases	<u>1,176</u>	<u>1,151</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**TRUSTEES' EXPENSES**

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**13. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	81,344	92,099
Social security costs	1,556	(4,757)
Other pension costs	<u>1,747</u>	<u>1,238</u>
	<u>84,647</u>	<u>88,580</u>

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

	2021	2020
Management and administration	1	1
Charitable activities	<u>4</u>	<u>7</u>
	<u>5</u>	<u>8</u>

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>			
At 1 January 2021	343,833	74,914	418,747
Additions	-	3,400	3,400
Disposals	-	(74,914)	(74,914)
At 31 December 2021	<u>343,833</u>	<u>3,400</u>	<u>347,233</u>
<b>DEPRECIATION</b>			
At 1 January 2021	25,739	74,914	100,653
Charge for year	1,439	-	1,439
Eliminated on disposal	-	(74,914)	(74,914)
At 31 December 2021	<u>27,178</u>	<u>-</u>	<u>27,178</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>316,655</u>	<u>3,400</u>	<u>320,055</u>
At 31 December 2020	<u>318,094</u>	<u>-</u>	<u>318,094</u>

Included in cost or valuation of land and buildings is freehold land of £200,000 (2020 - £200,000) which is not depreciated.

Pictures in the permanent collection, not included in the balance sheet as at 31 December 2021, amounted to £29,894 (2020 - £29,894) on a historical cost basis.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

15. FIXED ASSET INVESTMENTS

	Unrestricted Fund £	2021 £	2020 £
Market value at 1 January 2021	15,103	15,103	17,736
Additions at cost	143	143	179
Sale proceeds on disposal	-	-	-
Gain/(loss) in the year:			
- realised	-	-	-
- unrealised	201	201	(2,812)
Total market value of investments at 31 December 2021	<u>15,447</u>	<u>15,447</u>	<u>15,103</u>
Historic cost at 31 December 2021	<u>12,130</u>	<u>12,130</u>	<u>11,987</u>

The following UK listed investments represent more than 5% of the portfolio valuation.

	2021 £	2020 £
Unilever	9,469	10,541
Royal Dutch Shell	<u>4,218</u>	<u>3,371</u>
	<u>13,687</u>	<u>14,272</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,910	8,099
Other debtors	30,270	11
Prepayments	<u>2,617</u>	<u>1,169</u>
	<u>35,797</u>	<u>9,279</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	3,179	1,561
Social security and other taxes	5,697	5,818
Other creditors	363	252
Accruals and deferred income	<u>38,302</u>	<u>31,770</u>
	<u>47,541</u>	<u>39,401</u>

Included within accruals and deferred income as at 31 December 2021 is deferred gallery income totalling £2,743 (2020 - £4,736), deferred membership income and entry fees totalling £11,465 (2020 - £6,388) and deferred donations and grants totalling £7,590 (2020 - £15,340).

18. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	575	1,151
Between one and five years	<u>-</u>	<u>575</u>
	<u>575</u>	<u>1,726</u>

Operating lease payments represent rentals payable by the charity for certain items of equipment. No restrictions are placed on the use of these assets and the average lease term is 3 years. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	35,330	54,496	(1,278)	88,548
Designated fund - Brook Street Building				
Fixed Asset fund	318,094	(1,439)	-	316,655
Designated fund - Renovation fund	180,281	-	-	180,281
Designated fund - Repairs fund	20,000	(1,850)	-	18,150
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	-	802	-	802
	<u>613,705</u>	<u>52,009</u>	<u>(1,278)</u>	<u>664,436</u>
<b>Restricted funds</b>				
GBSLEP Online Shop Research & Development	(550)	(728)	1,278	-
Governance Review	-	4,200	-	4,200
Renovation fund	-	35,280	-	35,280
	<u>(550)</u>	<u>38,752</u>	<u>1,278</u>	<u>39,480</u>
<b>TOTAL FUNDS</b>	<u>613,155</u>	<u>90,761</u>	<u>-</u>	<u>703,916</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	180,428	(126,132)	200	54,496
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Repairs fund	-	(1,850)	-	(1,850)
Designated fund - Donated for events	802	-	-	802
	181,230	(129,421)	200	52,009
<b>Restricted funds</b>				
Prize fund	1,750	(1,750)	-	-
GBSLEP Online Shop Research & Development	3,000	(3,728)	-	(728)
Ladywood Community Centre Project	3,000	(3,000)	-	-
Governance Review	4,500	(300)	-	4,200
Renovation fund	41,987	(6,707)	-	35,280
	54,237	(15,485)	-	38,752
<b>TOTAL FUNDS</b>	<b>235,467</b>	<b>(144,906)</b>	<b>200</b>	<b>90,761</b>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	18,163	27,167	(10,000)	35,330
Designated fund - Brook Street Building Fixed Asset fund	319,533	(1,439)	-	318,094
Designated fund - Renovation fund	188,378	(8,097)	-	180,281
Designated fund - Repairs fund	10,000	-	10,000	20,000
Designated fund - Reserve fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	596,074	17,631	-	613,705
<b>Restricted funds</b>				
Sense fund	1,254	(1,254)	-	-
Combatting Loneliness in Later Life fund	134	(134)	-	-
IT Infrastructural Development fund	1,000	(1,000)	-	-
GBSLEP Online Shop Research & Development	<u>-</u>	<u>(550)</u>	<u>-</u>	<u>(550)</u>
	<u>2,388</u>	<u>(2,938)</u>	<u>-</u>	<u>(550)</u>
<b>TOTAL FUNDS</b>	<u>598,462</u>	<u>14,693</u>	<u>-</u>	<u>613,155</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	171,910	(141,931)	(2,812)	27,167
Designated fund - Brook Street Building				
Fixed Asset fund	-	(1,439)	-	(1,439)
Designated fund - Renovation fund	<u>1</u>	<u>(8,098)</u>	<u>-</u>	<u>(8,097)</u>
	171,911	(151,468)	(2,812)	17,631
<b>Restricted funds</b>				
Prize fund	2,500	(2,500)	-	-
Sense fund	1,497	(2,751)	-	(1,254)
Combatting Loneliness in Later Life fund	-	(134)	-	(134)
IT Infrastructural Development fund	-	(1,000)	-	(1,000)
Arts Council	6,732	(6,732)	-	-
GBSLEP Online Shop Research & Development	<u>-</u>	<u>(550)</u>	<u>-</u>	<u>(550)</u>
	<u>10,729</u>	<u>(13,667)</u>	<u>-</u>	<u>(2,938)</u>
<b>TOTAL FUNDS</b>	<u>182,640</u>	<u>(165,135)</u>	<u>(2,812)</u>	<u>14,693</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	18,163	81,663	(11,278)	88,548
Designated fund - Brook Street Building				
Fixed Asset fund	319,533	(2,878)	-	316,655
Designated fund - Renovation fund	188,378	(8,097)	-	180,281
Designated fund - Repairs fund	10,000	(1,850)	10,000	18,150
Designated fund - Reserve fund	60,000	-	-	60,000
Designated fund - Donated for events	-	802	-	802
	596,074	69,640	(1,278)	664,436
<b>Restricted funds</b>				
Sense fund	1,254	(1,254)	-	-
Combatting Loneliness in Later Life fund	134	(134)	-	-
IT Infrastructural Development fund	1,000	(1,000)	-	-
GBSLEP Online Shop Research & Development	-	(1,278)	1,278	-
Governance Review	-	4,200	-	4,200
Renovation fund	-	35,280	-	35,280
	2,388	35,814	1,278	39,480
<b>TOTAL FUNDS</b>	<b>598,462</b>	<b>105,454</b>	<b>-</b>	<b>703,916</b>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund - General fund	352,338	(268,063)	(2,612)	81,663
Designated fund - Brook Street Building Fixed Asset fund	-	(2,878)	-	(2,878)
Designated fund - Renovation fund	1	(8,098)	-	(8,097)
Designated fund - Repairs fund	-	(1,850)	-	(1,850)
Designated fund - Donated for events	802	-	-	802
	353,141	(280,889)	(2,612)	69,640
<b>Restricted funds</b>				
Prize fund	4,250	(4,250)	-	-
Sense fund	1,497	(2,751)	-	(1,254)
Combatting Loneliness in Later Life fund	-	(134)	-	(134)
IT Infrastructural Development fund	-	(1,000)	-	(1,000)
Arts Council	6,732	(6,732)	-	-
GBSLEP Online Shop Research & Development	3,000	(4,278)	-	(1,278)
Ladywood Community Centre Project	3,000	(3,000)	-	-
Governance Review	4,500	(300)	-	4,200
Renovation fund	41,987	(6,707)	-	35,280
	64,966	(29,152)	-	35,814
<b>TOTAL FUNDS</b>	<u>418,107</u>	<u>(310,041)</u>	<u>(2,612)</u>	<u>105,454</u>

**Purpose of unrestricted funds**

Unrestricted fund - General fund

This fund represents the free funds of the charity that are not designated for particular purposes.

Designated fund - Brook Street Building Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the acquisition and refurbishment of the charity's freehold building which are shown separately from the charity's General fund.

Designated fund - Renovations fund

This fund consists of unrestricted funds that have been set aside by the trustees for essential renovation works to charity's freehold building located at Brook Street in Birmingham.

19. MOVEMENT IN FUNDS - continued

Designated fund - Repairs fund

This fund consists of unrestricted funds that have been set aside by the trustees for the on-going maintenance of the charity's freehold building located at Brook Street in Birmingham.

Designated fund - Reserve fund

This designated fund represents the approximate costs that would be incurred if the charity, for whatever reason, is unable to continue operating as a going concern.

Designated fund - Donated for Friends events

The Birmingham Midland Pastel Society have very generously donated £802 to support future Friends talks & events.

**Purpose of restricted funds**

Prize fund

This fund holds monies donated for cash prizes awarded at Royal Birmingham Society of Artists prize exhibitions.

RBSA and Sense: Sense Fund

This fund was Sense's contribution to the project detailed above. This fund was fully expended as at 31 December 2019.

Combatting Loneliness in Later Life fund

Through consultation with local community groups, we devised a range of accessible activities both at the gallery and offsite for older people resident in care homes who were at risk of/or experiencing loneliness. As part of the project a new Group Visits leaflet was produced and mailed or emailed to 865 community groups with 110 people taking part in gallery visits or offsite activities. The funding also enabled us to develop a print Handling Collection with materials and tools for lino-cut and collagraph. This fund was fully expended as at 31 December 2019.

IT Infrastructural Development fund

The IT Infrastructural Development fund consists of funds received by the charity to enable the charity to finance improvements to the charity's IT infrastructure. This fund was fully expended as at 31 December 2019.

Arts Council England Emergency Response Fund

In response to the Covid-19 crisis, ACE made emergency funding available to organisations who needed immediate support. The grant supported the business through the first lockdown period and covered fees to freelance artists who were due to run workshops in Summer 2020. A small amount also provided laptops to support staff members working remotely. This fund was fully expended as at 31 December 2020.

GBSLEP Online Shop Research & Development

Greater Birmingham and Solihull Local Enterprise Partnership grant to research and develop an online shop from November 2020 to Feb 2021. The shop launched in November 2020. This fund was fully expended as at 31 December 2021.

Ladywood Community Centre Project

The Ladywood Community Project provides help and support to families and the local community. They help those on low incomes or in extreme financial hardship to manage their day to day needs by encouraging them to feel part of the community and not isolated with their problems.

**19. MOVEMENT IN FUNDS - continued**

Artist and printmaker Karoline Rerrie worked with the community centre coordinators to design a printmaking project where the final piece became a wall hanging which featured in the annual Christmas Grotto. The project ran from September to December 2021 with an initial session at RBSA Gallery and further sessions at Ladywood Community Project. Participants ranged in age from very young children, school aged children, parents and grandparents. The results of all participants printmaking were brought together in the final wall hanging. This fund was fully expended as at 31 December 2021.

Governance Review - funded by West Midlands Museums Development

The funded activity is supporting a board review of governance and diversity and the rewriting of the Articles of Association with legal support.

Renovation fund

To support the renovation and refurbishment of the RBSA Gallery. After over 20 years in this location, we need to refurbish the existing windows and front door (which are in a bad state of repair), and redevelop the ground floor of the building to increase visitor figures and improve our retail offer to increase sales, crucial in the post COVID climate. Completion due in Spring/Summer 2022.

**20. EMPLOYEE BENEFIT OBLIGATIONS**

**Defined contribution schemes**

The charity contributes to the individual pension schemes of certain employees. The assets of these schemes are held separately from those of the charity in independently administered funds.

The total contributions for the year amounted to £1,747 (2020 - £1,238) and outstanding contributions as at 31 December 2021 amounted to £363 (2020 - £252).

**21. RELATED PARTY DISCLOSURES**

As part of the ordinary activities of the charity, members (including trustees) may be paid for works of art sold by the gallery and may also be paid for workshop tutor fees. Any such transactions are made on similar terms to those paid to unconnected third parties.

**22. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees as listed in the Report of the Trustees.

**ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

England & Wales - Charity number 528894

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# Accounts

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**REGISTERED COMPANY NUMBER: 00122616 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 528894**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

###### Purposes and aims

The Society's objectives include the maintenance of a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

Our aim as an artist-led charity is to facilitate the creation and sharing of excellence in the visual arts. We achieve this by supporting artists in the development of their practice, by encouraging participation in creative arts activities to develop future generations of artists, by promoting our artistic programme so it can be enjoyed by the widest audiences, and by providing interpretation and events to help our audiences develop their knowledge, understanding and enjoyment of the visual arts.

##### Significant activities

We deliver an inclusive artistic programme at the RBSA Gallery which includes major exhibitions of artwork by Members and Associates, Open Entry exhibitions (open to non-members), solo shows and curated displays from the RBSA Collection. All exhibitions are supported by free events such as talks, guided tours, art demonstrations and workshops for both children and adults. In tandem, we run a dedicated programme of outreach and engagement activities for a diverse range of users. Our Craft Shop showcases UK based designer-makers, many of whom are based in the West Midlands.

We care for and promote our historic Archive and Collection of artworks predominantly by RBSA members. We have been an Accredited Museum since 2006. The Collection and Archive is managed by a dedicated Volunteer Archive Team offering intergenerational learning and work experience opportunities.

##### Public benefit

###### Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the calendar year of 2020. Our Annual report last year gave notice of the pandemic. What could not be foreseen then is the dramatic effect it has had on the country and particularly on artists and galleries. As a result of government advice and requirements on grounds of public health, our Exhibition and Education programmes have been severely restricted. The Gallery closed as part of the first lockdown on 19 March and did not re-open until 28 July. The Open Exhibition on show in March was frozen in situ and the Society was unable to hold any events or activities during the closure. On re-opening the numbers in the gallery were limited to 14 visitors. The Gallery was closed again for the second lockdown on 5 November and a month later we were able to re-open the Ground Floor only for Exhibitions and Craft sales until 23 December. The Gallery remained closed for the remainder of 2020 and the first three months of 2021.

Against this background of the Gallery being open only 25 weeks in the year and severe restrictions imposed by social distancing rules, our ability to deliver the outcomes that we would normally expect have been severely curtailed. In addition, some of our artists and visitors have felt a degree of apprehension in visiting the Gallery in the light of prevailing rates of infection and their own health issues.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### OBJECTIVES AND ACTIVITIES

##### Volunteers

Nevertheless, during 2020, some 80 volunteers assisted the Society in one form or another including in the Archive, receiving and hanging Exhibitions as well as stewarding at weekends. We are most grateful to all of our volunteers without whom the Gallery could not open on Saturdays and whose presence enriches the visitor experience and public benefit.

Particularly in the circumstances of the pandemic, the Trustees wish to record their thanks to the many artists in the Society and other volunteers for giving their time to demonstrate, take-in, hang, steward and undertake all manner of other tasks (including decorating the gallery) to keep the Gallery running smoothly. Some artists donated work for the Studio Sale for which we hope to schedule in 2021. The whole membership also provided us with continual flurries of interest in the Gallery to capture the public imagination. We are also most grateful to our dedicated staff. The Gallery Director, Sanna Moore, has been employed without interruption for the whole year to look after the Gallery whilst in lockdown and prepare Risk Assessments to permit the Gallery to re-open. All the other staff except the Marketing Coordinator have been furloughed for long periods.

#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### How our activities deliver public benefit

All of our charitable activities focus on our ability to maintain a Gallery as a venue for the organisation of exhibitions and the education of the public in the practice of the visual arts.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and their current guidance to charities in coping with the pandemic when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

##### Achievements

Notable achievements during the year ended 31 December 2020 included the following.

We staged 7 RBSA sponsored exhibitions including a Next Wave Exhibition for early-career artists based in the Midlands. As a result of that Exhibition, the Society invited 7 of the Exhibitors to become Next Wave Associates of the Society for three years. We also arranged 2 private hires of the gallery during the year. Birmingham Art Circle held a show entitled Boundaries and our own Hon. Curator, Steve Evans showed both his 2D and 3D work. Our thanks to them for their support. The Gallery sold £31,678 of artworks over the year (£51,781 in 2019).

Our Workshop Programme only ran in February with 12 sessions. The remaining planned programme had to be cancelled. There were some 231 participants in all of our educational activities (both adults and children) over the year.

In addition, 13 RBSA artists had free solo exhibitions on the Ground Floor and in the Cafe Space. These exhibitions gave all artists a high-profile opportunity to show the development of their practice.

We had a comprehensive programme of events planned for the RBSA but due to the pandemic these could not be delivered. However, for the first time we organised a Friends Exhibition online which was well supported.

The pandemic had a disastrous effect on our visitor numbers decreasing from 12,798 in 2019 to 4350.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### ACHIEVEMENT AND PERFORMANCE

##### Achievements continued

Recruitment for the 2020 intake of Next Wave Associates took place in Autumn 2019 with the exhibition of successful artists running in February 2020. The exhibition and related talks were well attended.

The collaborative project with Sense concluded in January 2020 with an exhibition at Touchbase Pears in Selly Oak. The final phase of the project, *Restore*, led by Rob Hamp, NWA and Andrea Hannon, worked with staff at Sense charity shops to use donations from the public to make art assemblages. The results were on display at Touchbase Pears in Spring 2020. A research paper was produced looking at new ways of working in the arts with those with complex disabilities.

Despite the pandemic we were able to restructure the finance and payment systems (March/April 2020), develop a new website (July 2020) and create an online shop (November 2020). We also made improvements to the IT provision at the gallery - new laptops were funded by the ACE Emergency Fund enabling staff to work from home and a grant from GBSLEP aided the development of the online shop and funded a new front of house payment/stock management system.

The new website enabled us to continue our exhibition programme by staging online exhibitions of Members & Associates (May/June 2020) and Friends (June/July 2020) during the lockdown periods which helped to generate some sales at a time when the gallery was unable to open to the public. We were also able to present Members solo shows online as well as in the gallery throughout the second half of the year which contributed to sales income.

We focused on increasing our social media presence through followers on Facebook, Instagram and Twitter as well as the Art Blog. Online platforms have been vital to continue to engage with our audience during lockdowns. The online shop opened during the November lockdown and has been essential in generating sales income during closure.

The Trustees consider that in the most challenging of circumstances the activities for the year as summarised above have delivered reduced public benefit, particularly in the field of education. We are determined as soon as the new normal is established to continue with many of our activities as before.

#### FINANCIAL REVIEW

##### Financial position

The Statement of Financial Activities on page 12 of the financial statements shows that for the year ended 31 December 2020 the charity achieved a surplus, after recognising net investment gains and losses, totalling £14,693 (2019 - deficit totalling £3,486 after recognising investment gains and losses).

Although our total income for the year ended 31 December 2020 is less than that recognised for the year ended 31 December 2019 this has been more than offset by a decrease in total expenditure incurred by the charity.

As a result, the total net assets of the charity have increased from £598,462 as at 31 December 2019 to £613,155, as at 31 December 2020.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Reserves policy

Our risk assessment has highlighted that we need to monitor our cash position carefully. This has been difficult this year and the Council received regular short-term forecasts.

On the current basis, our policy has been to fix the figure of £60,000 as a level at which the Council would have to consider serious action to reduce the operation of the Society's Gallery. The Trustees consider this figure to be a reasonable estimate of the cost of mothballing the Gallery and winding down the staff requirement. As last year, we consider that sum (or a more accurate estimate should it be calculated known as "The Designated Reserve Fund") should be deducted from the free reserves figure to show a more realistic picture of our financial situation. This reserves policy was adopted in 2018.

A "Designated Repairs Fund" was created in 2018 to ensure that the fabric of the Building is properly maintained in the future and stands at £10,000 – see Note 18 to the Accounts. The Trustees consider they can add to that provision this year by £10,000.

#### Investment policy and objectives

The charity has a small investment portfolio and the charity's Trustees have a policy of exploring and considering appropriate ways of investing reserves so as to increase income without exposing the charity to undue risks.

The total investment income received by the charity from the charity's investment portfolio decreased significantly during the year ended 31 December 2020 compared to the year ended 31 December 2019 and the market valuation of the charity's investment portfolio decreased by £2,812 as at December 2020 compared to an increase of £443 as at 31 December 2019 - see notes 5 and 14 to the financial statements for more detail.

#### Going concern

The pandemic and the lockdowns that have been in force, and remain in force, have challenged the organisation. We have done more with artists Exhibitions now online only where appropriate. We have been fortunate in attracting a grant from the Birmingham LEP to establish an improved online retail presence. We believe that with the support we have received from the Government through its furlough scheme for our staff and the local grants from the City Council that the Society is able to resume and maintain its current activities for the foreseeable future. The Trustees have, therefore, considered that it is appropriate for the financial statements to be prepared on the going concern basis.

#### FUTURE PLANS

Due to the pandemic, we have not been able to plan with any precision but the Gallery has re-opened with the delayed Members and Associates Exhibition which will be followed by the Friends Exhibition and our Bi-annual Photographic Exhibition. We should be able to put the Candidates for Member and Associate to the membership for a vote.

#### Building Project

In late 2017, the Council commissioned Pinnegar Hayward Design to produce plans for the refurbishment of the Gallery. This has been overseen by a small Building Committee. The plans went out for consultation to the membership, the Friends and the public as well as seeking views from a wide selection of stakeholders, partners and individuals. There was much support for the priorities for the refurbishment scheme amongst the members and wider stakeholders and we received a cost estimate for the works proposed. A report was produced on the funding possibilities for the proposed works which appeared to be very challenging in the current climate. This caused the Council to pause the refurbishment option and the Building Committee were asked to look at possible relocation options and we appointed Savills to advise us. Discussions have also been held with some local developers including the company which has planning permission to develop the site opposite the gallery in James Street. We have also considered other options put forward by Savills but have not found an alternative that is affordable.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Building Project - continued**

This process has been frustrated because of the City Council's plans for a Clean Air Zone, which includes the Jewellery Quarter and its radical proposals in the draft Transport Plan. These factors together with the uncertainties created in the City Centre relating to retail and office occupation generally has led the Council to conclude that we should plan to stay in the current Gallery in the order of 5 years. The Building Committee are to bring forward essential works and improvements for implementation in early 2022. It should be noted that there is a Refurbishment Reserve created for this work shown in the Accounts (see note 18).

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is a company limited by guarantee and was incorporated on 15 June 1912. The charity is governed by a Memorandum and Articles of Association which were last amended on 2 January 1969.

##### **Recruitment and appointment of new trustees**

The Officers and members of the Council, being the Trustees, are elected from the Society's 190 or so Members and Associates and are responsible for the governance and management of the Society.

At the delayed AGM in July 2020, Wayne Attwood was re-elected President, Robert Neil and Michele White were re-elected Vice Presidents, Andrew Matheson, Steve Evans and Viv Astling were re-elected to the offices of Honorary Treasurer, Honorary Curator and Honorary Secretary respectively. Annette Pugh was re-elected as Associates Representative.

None of the Trustees has a beneficial interest in the charitable company. All of the Trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure and Gallery Director**

In the opinion of the Trustees the key management personnel responsible for the direction, control, running and operation of the Society are the Officers and the Council to whom the Gallery Director reports regularly.

The Council met on 4 occasions during the year ended 31 December 2020 and there was 1 meeting of the Advisory Committee. The Advisory Committee consists of the Officers and a representative of the Council together with a number of external independent individuals who bring a variety of skills and experience by providing advice to the Council so that it makes the best possible decisions on all non-artistic matters.

Permanent staff at the end of the year comprise the Gallery Director, Marketing Coordinator, Exhibitions Coordinator, Learning & Engagement Manager and Retail & Front of House Coordinator with one Gallery Assistant to cover weekends and a freelance Accountant.

The average number of employees for the year is listed as per note 11 to the financial statements. Their remuneration is reviewed annually, and any increase is based on the state of the charity's finances, the importance of retaining key staff, the requirement to meet statutory wage conditions and increases in the current cost of living.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Induction and training of new trustees

New Trustees are briefed on their legal obligations under charity law, the contents of the Society's Memorandum and Articles of Association, the Committee and decision-making processes and the recent financial performance of the Society. They have all confirmed in writing that they have read the Charity Commission's note CC3a on the role of the Trustee.

##### Key management remuneration

In the trustees' opinion, the key management personnel of The Royal Birmingham Society of Artists responsible for the direction, control, running and operation of The Royal Birmingham Society of Artists on a day-to-day basis consists of the Board of Trustees and the charity's senior staff such as the Gallery Director.

##### Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year.

None of the Trustees claimed any expenses as is confirmed in note 11 to the financial statements.

##### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks that the Society faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. The Officers now have access to online bank accounts. Risk Assessments have been compiled by the Gallery Director highlighting the risks to the Society of operating the Gallery at the time of a pandemic and the ways such risks can be mitigated.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

00122616 (England and Wales)

##### Registered Charity number

528894

##### Registered office

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Council Members**

W Attwood	President	- re-elected 26 July 2020
M White	Vice President	- re-elected 26 July 2020
R Neil	Vice President	- re-elected 26 July 2020
V Astling	Honorary Secretary	- re-elected 26 July 2020
A Matheson	Honorary Treasurer	- re-elected 26 July 2020
S Evans	Honorary Curator	- re-elected 26 July 2020
V Cawson		- elected 29 April 2018
H Northam		- elected 28 April 2019
R Griffiths		- elected 29 April 2018
J Scott Martin		- ex officio

**Associate Representatives**

A Pugh		- re-elected 26 July 2020
L Nevill		- elected 28 April 2019

**Auditors**

J W Hinks LLP  
Chartered Accountants and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**Solicitors**

The Wilkes Partnership  
41 Church Street  
Birmingham  
B3 2RT

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

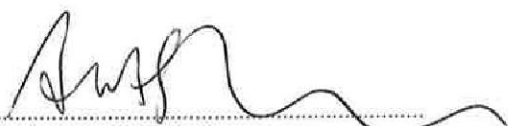
In so far as the trustees are aware:

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

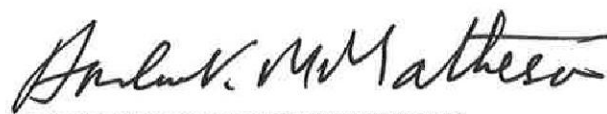
#### AUDITORS

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 10<sup>th</sup> May 2021 and signed on its behalf by:



V Astling OBE RBSA, Honorary Secretary



A Matheson RBSA, Honorary Treasurer

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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### **Opinion**

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the 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:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.
- Confirming accounts receivable and other accounts with a third party.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith ACA (Senior Statutory Auditor)  
for and on behalf of J W Hinks LLP  
Chartered Accountants  
and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

Date: 10<sup>th</sup> May 2021

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	3	15,667	2,500	18,167	38,457
<b>Charitable activities</b>					
Operation of gallery	6	95,360	8,229	103,589	114,802
Other trading activities	4	46,178	-	46,178	55,431
Investment income	5	1,155	-	1,155	3,082
Other income		13,551	-	13,551	-
<b>Total</b>		<b>171,911</b>	<b>10,729</b>	<b>182,640</b>	<b>211,772</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Operation of gallery	7	151,468	13,667	165,135	215,701
<b>Net surplus/(deficit) before gains/(losses) on investments</b>		<b>20,443</b>	<b>(2,938)</b>	<b>17,505</b>	<b>(3,929)</b>
Net gains/(losses) on investments		(2,812)	-	(2,812)	443
<b>NET INCOME/(EXPENDITURE)</b>		<b>17,631</b>	<b>(2,938)</b>	<b>14,693</b>	<b>(3,486)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		596,074	2,388	598,462	601,948
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>613,705</b>	<b>(550)</b>	<b>613,155</b>	<b>598,462</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

BALANCE SHEET  
31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	318,094	-	318,094	319,533
Investments	14	15,103	-	15,103	17,736
		<b>333,197</b>	<b>-</b>	<b>333,197</b>	337,269
<b>CURRENT ASSETS</b>					
Debtors	15	9,279	-	9,279	7,390
Cash at bank		310,630	(550)	310,080	291,928
		<b>319,909</b>	<b>(550)</b>	<b>319,359</b>	299,318
<b>CREDITORS</b>					
Amounts falling due within one year	16	(39,401)	-	(39,401)	(38,125)
		<b>280,508</b>	<b>(550)</b>	<b>279,958</b>	261,193
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
		<b>613,705</b>	<b>(550)</b>	<b>613,155</b>	598,462
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>613,705</b>	<b>(550)</b>	<b>613,155</b>	598,462
<b>NET ASSETS</b>					
<b>FUNDS</b>					
	18				
<i>Unrestricted funds</i>					
- General fund				35,330	18,163
<i>Designated funds</i>					
- Brook Street Building Fixed Asset fund				318,094	319,533
- Renovations fund				180,281	188,378
- Repairs fund				20,000	10,000
- Reserve fund				60,000	60,000
<i>Restricted funds</i>					
				(550)	(2,388)
<b>TOTAL FUNDS</b>					
				<b>613,155</b>	598,462

The notes form part of these financial statements

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)**

**BALANCE SHEET - continued**  
**31 DECEMBER 2020**

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These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10<sup>th</sup> May 2021 and were signed on its behalf by:



.....  
A Matheson RBSA, Honorary Treasurer

The notes form part of these financial statements

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES

##### BASIS OF PREPARING THE FINANCIAL STATEMENTS

###### General information

The Royal Birmingham Society of Artists is an incorporated charity registered with the Charity Commission in England and Wales. The address of the Royal Birmingham Society of Artists' registered office is Dakota House, 4 Brook Street, Birmingham, B3 1SA.

###### Accounting convention

The financial statements of the Royal Birmingham Society of Artists, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared using the historic cost convention as modified to include certain financial instruments at fair value and are presented in sterling which is the functional currency of the Royal Birmingham Society of Artists, rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

###### GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

###### FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

###### INCOME

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

Grants and donations receivable which are intended for use in a specified period are accrued over the course of that period by the charity.

Sums received in advance are carried forward as deferred income.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the charity's right to receive payment is established. Investment income relating to quoted fixed asset investments is accounted for on a receivable basis.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**1. ACCOUNTING POLICIES - continued**

**INCOME**

All other incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Such costs are allocated between costs of activities in furtherance of the charity's objects, costs of generating funds and governance costs. Staff costs are allocated to the cost of staff working directly in the relevant department. Other costs have been either specifically identified or apportioned on an appropriate basis to each category.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charity's charitable activities.

Support costs are those that assist with the work of the charity but do not directly represent charitable activities.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows.

Freehold land	- not depreciated
Freehold buildings	- 1% straight line method
Fixtures, fittings and equipment	- 20% to 33% straight line method

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 net income/(expenditure) for the year.

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**1. ACCOUNTING POLICIES - continued**

**FIXED ASSET INVESTMENTS**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

**DEBTORS**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**CREDITORS**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**TAXATION**

The charity is exempt from corporation tax on its charitable activities.

**IRRECOVERABLE VAT**

The charity is registered for Value Added Tax but is partially exempt as it makes both taxable and exempt supplies. The partial exempt status can result in the charity not recovering all of the Value Added Tax it has incurred on expenditure. Resources expended include the proportion of Value Added Tax on expenditure which cannot be recovered.

**FUND ACCOUNTING**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**EMPLOYEE BENEFITS**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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1. ACCOUNTING POLICIES - continued

**HIRE PURCHASE AND LEASING COMMITMENTS**

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.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at amortised cost.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty.

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

3. DONATIONS

	2020	2019
	£	£
Donations	7,633	25,959
Sponsorship	500	2,750
Gift Aid	<u>10,034</u>	<u>9,748</u>
	<u>18,167</u>	<u>38,457</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

3. DONATIONS - continued

Donations, gifts and sponsorship in excess of £1,000 included amounts received from the following organisations:

	2020	2019
	£	£
Anonymous	-	1,500
Apsley House Capital & Galliard Homes	-	2,750
Didymus CIO	-	2,000
GMC Trust	1,500	-
The Dumbreck Charity	-	1,000
The Grimmitt Trust	-	2,500
The John Feeney Charitable Trust	-	2,000
The Oakley Charitable Trust	-	1,000
West Midlands Museum Development, supported using public funding by Arts Council England, received via Ironbridge Gorge Museum Trust	-	2,998
Donations below £1,000	<u>16,667</u>	<u>22,709</u>
	<u>18,167</u>	<u>38,457</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	Total funds £	Total funds £
Subscriptions - Members and Associates	36,273	38,974
Subscriptions - Friends of the RBSA	<u>9,905</u>	<u>16,457</u>
	<u>46,178</u>	<u>55,431</u>

5. INVESTMENT INCOME

	2020	2019
	Total funds £	Total funds £
Income from listed investments	553	789
Interest receivable	<u>602</u>	<u>2,293</u>
	<u>1,155</u>	<u>3,082</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Grants	Operation of gallery	71,902	19,971
Gallery income	Operation of gallery	31,687	94,717
Cafe income	Operation of gallery	-	114
		<u>103,589</u>	<u>114,802</u>

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

	Unrestricted funds £	Restricted Funds £	2020 £	2019 £
Arts Council England - Emergency costs funding	22,530	6,732	29,262	13,471
Birmingham City Council	26,143	-	26,143	-
G J W Turner Trust - Combatting Loneliness in Later Life fund	-	-	-	3,000
Loppylugs	14,500	-	14,500	-
Rowlands Trust - IT Infrastructural Development fund	-	-	-	1,000
Sense - RBSA and Sense: Sense fund	-	1,497	1,497	1,500
S & D Lloyd Charitable Trust	500	-	500	-
W.E.D. Charitable Trust - Combatting Loneliness in Later Life fund	-	-	-	1,000
	<u>63,673</u>	<u>8,229</u>	<u>71,902</u>	<u>19,971</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Operation of gallery	<u>101,327</u>	<u>63,808</u>	<u>165,135</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	88,580	115,775
Prizes	2,500	6,650
Workshop tutors	5,948	11,257
Funded projects professional fees	<u>4,299</u>	<u>10,990</u>
	<u>101,327</u>	<u>144,672</u>

9. SUPPORT COSTS

Support costs are those costs that have been incurred in order to further the continued development of the charity's charitable activities.

	2020 Operation of gallery £	2019 Total activities £
Bank charges	1,068	1,045
Credit card charges	911	1,331
Repairs and maintenance	10,900	10,369
Printing and stationery	2,433	8,391
Light and heat	3,957	6,316
Telephone and postage	2,164	4,819
Publicity	1,633	3,461
Sundry expenses	1,134	3,130
Other operating leases	1,151	1,063
Photocopier	184	653
Catering	2	2,327
Irrecoverable VAT	4,688	2,967
Cleaning	1,836	1,154
Training	145	995
Computer expenses	11,565	4,089
Rates and insurance	3,589	7,373
Depreciation of tangible fixed assets	1,439	1,486
Auditors' remuneration	2,600	2,400
Auditors' remuneration for non audit work	1,200	3,660
Professional fees	<u>11,209</u>	<u>4,000</u>
	<u>63,808</u>	<u>71,029</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2020</b>	2019
	<b>£</b>	£
Auditors' remuneration	<b>2,600</b>	2,400
Auditors' remuneration for non audit work	<b>1,200</b>	3,660
Depreciation - owned assets	<b>1,439</b>	1,486
Other operating leases	<b><u>1,151</u></b>	<u>1,063</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**TRUSTEES' EXPENSES**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**12. STAFF COSTS**

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>92,099</b>	110,717
Social security costs	<b>(4,757)</b>	3,164
Other pension costs	<b><u>1,238</u></b>	<u>1,894</u>
	<b><u>88,580</u></b>	<u>115,775</u>

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

	<b>2020</b>	2019
Management and administration	<b>1</b>	1
Charitable activities	<b><u>7</u></b>	<u>7</u>
	<b><u>8</u></b>	<u>8</u>

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>			
At 1 January 2020 and 31 December 2020	<u>343,833</u>	<u>74,914</u>	<u>418,747</u>
<b>DEPRECIATION</b>			
At 1 January 2020	24,300	74,914	99,214
Charge for year	<u>1,439</u>	<u>-</u>	<u>1,439</u>
At 31 December 2020	<u>25,739</u>	<u>74,914</u>	<u>100,653</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>318,094</u>	<u>-</u>	<u>318,094</u>
At 31 December 2019	<u>319,533</u>	<u>-</u>	<u>319,533</u>

Included in cost or valuation of land and buildings is freehold land of £200,000 (2019 - £200,000) which is not depreciated.

Pictures in the permanent collection, not included in the balance sheet as at 31 December 2020, amounted to £29,894 (2019 - £29,894) on a historical cost basis.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS

	Unrestricted Fund £	2020 £	2019 £
Market value at 1 January 2019	17,736	17,736	16,982
Additions at cost	179	179	311
Sale proceeds on disposal	-	-	-
Gain/(loss) in the year:			
- realised	-	-	-
- unrealised	(2,812)	(2,812)	443
	<u>15,103</u>	<u>15,103</u>	<u>17,736</u>
Total market value of investments at 31 December 2019			
	<u>15,103</u>	<u>15,103</u>	<u>17,736</u>
Historic cost at 31 December 2019	<u>11,987</u>	<u>11,987</u>	<u>11,805</u>

The following UK listed investments represent more than 5% of the portfolio valuation.

	2020 £	2019 £
Unilever	10,541	10,441
Royal Dutch Shell	<u>3,731</u>	<u>6,224</u>
	<u>14,272</u>	<u>16,665</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	8,099	3,635
Other debtors	11	73
Prepayments	<u>1,169</u>	<u>3,682</u>
	<u>9,279</u>	<u>7,390</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,561	1,304
Social security and other taxes	5,818	3,887
Other creditors	252	315
Accruals and deferred income	<u>31,770</u>	<u>32,619</u>
	<u>39,401</u>	<u>38,125</u>

Included within accruals and deferred income as at 31 December 2020 is deferred gallery income totalling £4,736 (2019 - £4,760); deferred membership income and entry fees totalling £6,388 (2019 - £1,263) and deferred donations and grants totalling £15,340 (2019 - 6,440).

17. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	1,151	1,151
Between one and five years	575	1,151
In more than five years	-	575
	<u>1,726</u>	<u>2,877</u>

Operating lease payments represent rentals payable by the charity for certain items of equipment. No restrictions are placed on the use of these assets and the average lease term is 3 years. All leases are on a fixed repayments basis and no arrangements have been entered into for contingent rental payments.

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

18. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
<b>Unrestricted funds</b>			
- General fund	18,163	17,167	35,330
<b>Designated fund</b>			
- Brook Street Building Fixed Asset fund	319,533	(1,439)	318,094
- Renovations fund	188,378	(8,097)	180,281
- Repairs fund	10,000	10,000	20,000
- Reserve fund	60,000	-	60,000
	<u>596,074</u>	<u>17,631</u>	<u>613,705</u>
<b>Restricted funds</b>			
Sense fund	1,254	(1,254)	-
Combatting Loneliness in Later Life fund	134	(134)	-
IT Infrastructural Development fund	1,000	(1,000)	-
GBSLEP Online Shop Research & Development	-	(550)	(550)
	<u>2,388</u>	<u>(2,938)</u>	<u>(550)</u>
<b>TOTAL FUNDS</b>	<u>598,462</u>	<u>14,693</u>	<u>613,155</u>

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

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Movement in funds £
<b>Unrestricted funds</b>				
- General fund	171,911	(141,932)	(12,812)	17,167
<b>Designated funds</b>				
- Brook Street Building Fixed Asset fund	-	(1,439)	-	(1,439)
- Renovations fund	-	(8,097)	-	(8,097)
- Repairs fund	-	-	10,000	10,000
	<u>171,911</u>	<u>(151,468)</u>	<u>(2,812)</u>	<u>17,631</u>
<b>Restricted funds</b>				
Prize fund	2,500	(2,500)	-	-
Sense fund	1,497	(2,751)	-	(1,254)
Combatting Loneliness in Later Life fund	-	(134)	-	(134)
IT Infrastructural Development fund	-	(1,000)	-	(1,000)
Arts Council	6,732	(6,732)	-	-
GBSLEP Online Shop Research & Development	-	(550)	-	(550)
	<u>10,729</u>	<u>(13,667)</u>	<u>-</u>	<u>(2,938)</u>
<b>TOTAL FUNDS</b>	<u>182,640</u>	<u>(165,135)</u>	<u>(2,812)</u>	<u>14,693</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
<b>Unrestricted funds</b>			
- General fund	19,869	(1,706)	18,163
<b>Designated fund</b>			
- Brook Street Building Fixed Asset fund	320,972	(1,439)	319,533
- Renovations fund	188,378	-	188,378
- Repairs fund	10,000	-	10,000
- Reserve fund	<u>60,000</u>	<u>-</u>	<u>60,000</u>
	599,219	(3,145)	596,074
<b>Restricted funds</b>			
Making Sense fund	875	(875)	-
Making Together fund	1,500	(1,500)	-
Putting on a Show fund	354	(354)	-
Sense fund	-	1,254	1,254
Combatting Loneliness in Later Life fund	-	134	134
IT Infrastructural Development fund	<u>-</u>	<u>1,000</u>	<u>1,000</u>
	<u>2,729</u>	<u>(341)</u>	<u>2,388</u>
<b>TOTAL FUNDS</b>	<u>601,948</u>	<u>(3,486)</u>	<u>598,462</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
- General fund	177,203	(179,352)	443	(1,706)
<b>Designated fund</b>				
- Brook Street Building Fixed Asset fund	-	(1,439)	-	(1,439)
	177,203	(180,791)	443	(3,145)
<b>Restricted funds</b>				
Prize fund	4,100	(4,100)	-	-
Making Sense fund	-	(875)	-	(875)
Making Together fund	-	(1,500)	-	(1,500)
Putting on a Show fund	-	(354)	-	(354)
Sense fund	14,971	(13,717)	-	1,254
Combatting Loneliness in Later Life fund	6,998	(6,864)	-	134
Next Wave fund	7,500	(7,500)	-	-
IT Infrastructural Development fund	1,000	-	-	1,000
	34,569	(34,910)	-	(341)
<b>TOTAL FUNDS</b>	<u>211,772</u>	<u>(215,701)</u>	<u>443</u>	<u>(3,486)</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
<b>Unrestricted funds</b>			
- General fund	19,869	15,461	35,330
<b>Designated fund</b>			
- Brook Street Building Fixed Asset fund	320,972	(2,878)	318,094
- Renovations fund	188,378	(8,097)	180,281
- Repairs fund	10,000	10,000	20,000
- Reserve fund	60,000	-	60,000
	599,219	14,486	613,705
<b>Restricted funds</b>			
Making Sense fund	875	(875)	-
Making Together fund	1,500	(1,500)	-
Putting on a Show fund	354	(354)	-
Sense fund	-	-	-
Combatting Loneliness in Later Life fund	-	-	-
Next Wave fund	-	-	-
IT Infrastructural Development fund	-	-	-
Prize fund	-	-	-
Arts Council	-	-	-
GBSLEP Online Research & Development	-	(550)	(550)
	2,729	(3,279)	(550)
<b>TOTAL FUNDS</b>	<u>601,948</u>	<u>11,207</u>	<u>613,155</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Movement in funds £
<b>Unrestricted funds</b>				
- General fund	349,114	(321,284)	(12,369)	15,461
<b>Designated fund</b>				
- Brook Street Building Fixed Asset fund	-	(2,878)	-	(2,878)
- Renovations fund	-	(8,097)	-	(8,097)
- Repairs fund	-	-	10,000	10,000
	349,114	(332,259)	(2,369)	14,486
<b>Restricted funds</b>				
Prize fund	6,600	(6,600)	-	-
Making Sense fund	-	(875)	-	(875)
Making Together fund	-	(1,500)	-	(1,500)
Putting on a Show fund	-	(354)	-	(354)
Sense fund	16,468	(16,468)	-	-
Combatting Loneliness in Later Life fund	6,998	(6,998)	-	-
IT Infrastructural Development fund	1,000	(1,000)	-	-
Arts Council	6,732	(6,732)	-	-
GBSLEP Online Research & Development	-	(550)	-	(550)
	45,298	(48,577)	-	(3,279)
<b>TOTAL FUNDS</b>	<u>394,412</u>	<u>(380,836)</u>	<u>(2,369)</u>	<u>11,207</u>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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18. MOVEMENT IN FUNDS - continued

**Purpose of unrestricted funds**

Unrestricted fund - General fund

This fund represents the free funds of the charity that are not designated for particular purposes.

Designated fund - Brook Street Building Fixed Asset fund

This fund consists of unrestricted funds that have been set aside by the trustees and represents funds spent by the charity on the acquisition and refurbishment of the charity's freehold building which are shown separately from the charity's General fund.

Designated fund - Renovations fund

This fund consists of unrestricted funds that have been set aside by the trustees for essential renovation works to charity's freehold building located at Brook Street in Birmingham.

Designated fund - Repairs fund

This fund consists of unrestricted funds that have been set aside by the trustees for the on-going maintenance of the charity's freehold building located at Brook Street in Birmingham.

Designated fund - Reserve fund

This designated fund represents the approximate costs that would be incurred if the charity, for whatever reason, is unable to continue operating as a going concern.

**Purpose of restricted funds**

Prize fund

This fund holds monies donated for cash prizes awarded at Royal Birmingham Society of Artists prize exhibitions.

RBSA and Sense: Sense Fund

This fund was Sense's contribution to the project detailed above. This fund was fully expended at 31 December 2019.

Combatting Loneliness in Later Life fund

Through consultation with local community groups, we devised a range of accessible activities both at the gallery and offsite for older people resident in care homes who were at risk of/or experiencing loneliness. As part of the project a new Group Visits leaflet was produced and mailed or emailed to 865 community groups with 110 people taking part in gallery visits or offsite activities. The funding also enabled us to develop a print Handling Collection with materials and tools for lino-cut and collagraph.

This fund was fully expended as at 31 December 2019.

IT Infrastructural Development fund

The IT Infrastructural Development fund consists of funds received by the charity to enable the charity to finance improvements to the charity's IT infrastructure. This fund was fully expended as at 31 December 2019.

**18. MOVEMENT IN FUNDS - continued**

Arts Council

In response to the Covid-19 crisis, ACE made emergency funding available to organisations who needed immediate support. The grant supported the business through the first lockdown period and covered fees to freelance artists who were due to run workshops in Summer 2020. A small amount also provided laptops to support staff members working remotely. This fund was fully expended as at 31 December 2020.

GBSLEP Online Shop Research & Development

Greater Birmingham and Solihull Local Enterprise Partnership grant to research and develop an online shop.

Making Sense fund

The Making Sense fund is a project run in conjunction with Sense and comprises the delivery of practical art workshops for participants who have complex communication needs and disabilities.

This fund was fully expended as at 31 December 2019.

Making Together fund

Making Together was a project designed to follow on from the Making Sense project. Launch exhibitions at the Royal Birmingham Society of Artists and Sense showed art by Sense participants. Selected artists took part in a mentoring programme led by RBSA artists and exhibited the resulting work at the RBSA Gallery. A retail sculpture project based on donations to the Sense charity shops and the project's creative practices raised the profile of the shops. An academic paper disseminated project findings.

This fund was fully expended as at 31 December 2019.

Putting on a Show fund

The Putting on a Show fund was a project that aimed to develop audiences for our historic Collection by providing tailor-made activities for a diverse range of participants during the 'Putting on a Show' exhibition (24 September to 6 October 2018) which featured artwork from our Collection by RBSA Hon. Curators to celebrate their contributions over the last 100 years. Activities included a handling session and workshop for a partially-sited group from Focus Birmingham, a British Sign Language tour of the exhibition delivered by a local deaf arts professional, exhibition sketching tours for Crisis and SIFA-Fireside (local homeless support charities), a screen-printing workshop for ATHAC (Access to Heritage Arts and Culture) and a tour and practical art activities for Argent College, a local college delivering practical skills therapeutic education to young people aged between 16 and 25 years.

This fund was fully expended as at 31 December 2019.

Next Wave Exhibition fund

The Next Wave Exhibition fund provides guidance and support for emerging and early-career artists through a mentoring scheme accompanied by a high-profile exhibition held at the Royal Birmingham Society of Artists' gallery.

**19. EMPLOYEE BENEFIT OBLIGATIONS**

**Defined contribution schemes**

The charity contributes to the individual pension schemes of certain employees. The assets of these schemes are held separately from those of the charity in independently administered funds.

The total contributions for the year amounted to £1,238 (2019 - £1,894) and outstanding contributions as at 31 December 2019 amounted to £252 (2019 - £315).

**20. RELATED PARTY DISCLOSURES**

As part of the ordinary activities of the charity, members (including trustees) may be paid for works of art sold by the gallery and may also be paid for workshop tutor fees. Any such transactions are made on similar terms to those paid to unconnected third parties.

**21. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees as listed in the Report of the Trustees.