

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**

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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.

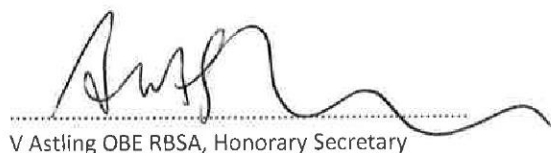
In so far as the trustees are aware:

- 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	<b>318,094</b>	-	<b>318,094</b>	319,533
Investments	14	<b>15,103</b>	-	<b>15,103</b>	17,736
		<b>333,197</b>	-	<b>333,197</b>	337,269
<b>CURRENT ASSETS</b>					
Debtors	15	<b>9,279</b>	-	<b>9,279</b>	7,390
Cash at bank		<b>310,630</b>	<b>(550)</b>	<b>310,080</b>	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	<b>(39,401)</b>	-	<b>(39,401)</b>	(38,125)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>280,508</b>	<b>(550)</b>	<b>279,958</b>	261,193
<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>613,705</b>	<b>(550)</b>	<b>613,155</b>	598,462
<b>FUNDS</b>	18				
<i>Unrestricted funds</i>					
- General fund				<b>35,330</b>	18,163
<i>Designated funds</i>					
- Brook Street Building Fixed Asset fund				<b>318,094</b>	319,533
- Renovations fund				<b>180,281</b>	188,378
- Repairs fund				<b>20,000</b>	10,000
- Reserve fund				<b>60,000</b>	60,000
<i>Restricted funds</i>				<b>(550)</b>	(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

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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	- 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.

## 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	10,034	9,748
	<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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Anonymous	-	1,500
Apsley House Capital & Galliard Homes	-	2,750
Didymus CIO	-	2,000
GMC Trust	<b>1,500</b>	-
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	<b>16,667</b>	<b>22,709</b>
	<b>18,167</b>	<b>38,457</b>

**4. OTHER TRADING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>
Subscriptions - Members and Associates	<b>36,273</b>	38,974
Subscriptions - Friends of the RBSA	<b>9,905</b>	<b>16,457</b>
	<b>46,178</b>	<b>55,431</b>

**5. INVESTMENT INCOME**

	<b>2020</b>	<b>2019</b>
	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>
Income from listed investments	<b>553</b>	789
Interest receivable	<b>602</b>	<b>2,293</b>
	<b>1,155</b>	<b>3,082</b>

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. INCOME FROM CHARITABLE ACTIVITIES

		2020 £	2019 £
Grants	Activity		
	Operation of gallery	<b>71,902</b>	19,971
Gallery income	Operation of gallery	<b>31,687</b>	94,717
Cafe income	Operation of gallery	-	114
		<b><u>103,589</u></b>	<b><u>114,802</u></b>

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

	Unrestricted funds £	Restricted Funds £	2020 £	2019 £
Arts Council England - Emergency costs funding	<b>22,530</b>	<b>6,732</b>	<b>29,262</b>	13,471
Birmingham City Council	<b>26,143</b>	-	<b>26,143</b>	-
G J W Turner Trust - Combatting Loneliness in Later Life fund	-	-	-	3,000
Loppylugs	<b>14,500</b>	-	<b>14,500</b>	-
Rowlands Trust - IT Infrastructural Development fund	-	-	-	1,000
Sense - RBSA and Sense: Sense fund	-	<b>1,497</b>	<b>1,497</b>	1,500
S & D Lloyd Charitable Trust	<b>500</b>	-	<b>500</b>	-
W.E.D. Charitable Trust - Combatting Loneliness in Later Life fund	-	-	-	1,000
	<b><u>63,673</u></b>	<b><u>8,229</u></b>	<b><u>71,902</u></b>	<b><u>19,971</u></b>

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

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

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

	2020	2019
	£	£
Auditors' remuneration	2,600	2,400
Auditors' remuneration for non audit work	1,200	3,660
Depreciation - owned assets	1,439	1,486
Other operating leases	<u>1,151</u>	<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**

	2020	2019
	£	£
Wages and salaries	92,099	110,717
Social security costs	(4,757)	3,164
Other pension costs	<u>1,238</u>	<u>1,894</u>
	<u>88,580</u>	<u>115,775</u>

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

	2020	2019
Management and administration	1	1
Charitable activities	<u>7</u>	<u>7</u>
	<u>8</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 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
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

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	31,770	32,619
	<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	60,000	-	60,000
	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	-	1,000	1,000
	2,729	(341)	2,388
<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>	<b>211,772</b>	<b>(215,701)</b>	<b>443</b>	<b>(3,486)</b>

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.

## 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

##### 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.