

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**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12 to 13
Notes to the Financial Statements	14 to 33

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

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

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.

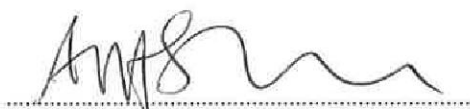
In so far as the trustees are aware:

- 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

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

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.

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

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

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 £
FIXED ASSETS					
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>
		332,102	3,400	335,502	333,197
CURRENT ASSETS					
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>
		376,475	39,480	415,955	319,359
CREDITORS					
Amounts falling due within one year	17	<u>(44,141)</u>	<u>(3,400)</u>	<u>(47,541)</u>	<u>(39,401)</u>
NET CURRENT ASSETS		<u>332,334</u>	<u>36,080</u>	<u>368,414</u>	<u>279,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>664,436</u>	<u>39,480</u>	<u>703,916</u>	<u>613,155</u>
NET ASSETS		<u><u>664,436</u></u>	<u><u>39,480</u></u>	<u><u>703,916</u></u>	<u><u>613,155</u></u>

The notes form part of these financial statements

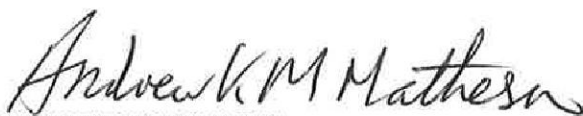
THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS (REGISTERED NUMBER: 00122616)

BALANCE SHEET - continued
31 DECEMBER 2021

	Notes	2021 Total funds £	2020 Total funds £
FUNDS	19		
Unrestricted funds:			
- General fund		88,548	35,330
Designated funds:			
- 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>
Restricted funds:			
GBSLEP Online Shop Research & Development		-	(550)
Governance Review		4,200	-
Renovation fund		<u>35,280</u>	<u>-</u>
		<u>39,480</u>	<u>(550)</u>
TOTAL FUNDS		<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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	492	602
	<u>1,041</u>	<u>1,155</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Grants	Operation of gallery	83,600	71,902
Gallery income	Operation of gallery	48,654	31,687
		<u>132,254</u>	<u>103,589</u>

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

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Arts Council England	-	-	-	29,262
Birmingham City Council	29,600	-	29,600	26,143
Dumbreck Charity	-	5,000	5,000	-
GBSLEP Limited	-	3,000	3,000	-
GMC Trust	3,000	-	3,000	-
G J W Turner Trust	-	8,000	8,000	-
West Midlands Museums Development	-	4,500	4,500	-
Loppylugs	-	-	-	14,500
S & D Lloyd Charitable Trust	-	-	-	500
Sense	-	-	-	1,497
The Grimmitt Trust	-	5,000	5,000	-
The Oakley Charitable Trust	-	1,500	1,500	-
The Roughly Trust	-	2,000	2,000	-
The Saintbury Trust	-	2,000	2,000	-
William A Cadbury Charitable Trust	-	20,000	20,000	-
	<u>32,600</u>	<u>51,000</u>	<u>83,600</u>	<u>71,902</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 Operation of gallery £	2020 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	10,343	11,209
	<u>53,565</u>	<u>63,308</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

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 £
COST			
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>
DEPRECIATION			
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>
NET BOOK VALUE			
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.

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

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.

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 £
Unrestricted funds				
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>
Restricted funds				
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
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
Restricted funds				
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
TOTAL FUNDS	235,467	(144,906)	200	90,761

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 £
Unrestricted funds				
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
Restricted funds				
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
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
Restricted funds				
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>
TOTAL FUNDS	<u>182,640</u>	<u>(165,135)</u>	<u>(2,812)</u>	<u>14,693</u>

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 £
Unrestricted funds				
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
Restricted funds				
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
TOTAL FUNDS	598,462	105,454	-	703,916

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 £
Unrestricted funds				
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
Restricted funds				
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
TOTAL FUNDS	<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.