

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

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

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

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

##### Purposes and aims

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

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

##### Significant activities

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

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### OBJECTIVES AND ACTIVITIES

##### Public benefit

##### Ensuring our work delivers our aims

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

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

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

##### Volunteers

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### How our activities deliver public benefit

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

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

##### Achievements

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

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

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

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

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

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

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

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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

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

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

#### **FINANCIAL REVIEW**

##### **Financial position**

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

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

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

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

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

## **THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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

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#### **FINANCIAL REVIEW**

##### **Reserves policy**

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

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

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

##### **Going concern**

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

#### **FUTURE PLANS**

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

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

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

##### **Governing document**

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

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Recruitment and appointment of new trustees

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

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

##### Organisational structure and the Director

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

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

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

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

##### Induction and training of new trustees

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

##### Key management

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

##### Key management personnel - trustees

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

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

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

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

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

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

00122616 (England and Wales)

##### Registered Charity number

528894

##### Registered office

RBSA Gallery  
Dakota House  
4 Brook Street  
Birmingham  
B3 1SA

##### Council Members

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

##### Associate Representatives

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Royal Birmingham Society of Artists for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

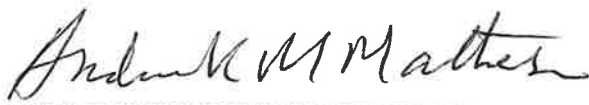
#### AUDITORS

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

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



V Astling OBE – Chair of the Trustees



A Matheson RBSA – Hon Treasurer

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

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### Opinion

We have audited the financial statements of The Royal Birmingham Society of Artists (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Specific areas considered were as follows:

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

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

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

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

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

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 2 April 2024

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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

**BALANCE SHEET**  
**31 DECEMBER 2023**

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

The notes form part of these financial statements



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

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

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

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

A handwritten signature in black ink, reading "Andrew KM Matheson". The signature is written in a cursive style with a horizontal dotted line underneath it.

A Matheson RBSA – Hon Treasurer

The notes form part of these financial statements

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## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### 1. ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

- the requirements of Section 7 Statement of Cash Flows.

###### **INCOME**

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

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

Sums received in advance are carried forward as deferred income.

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### 1. ACCOUNTING POLICIES - continued

##### INCOME

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

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

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

##### EXPENDITURE

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

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

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

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

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

##### TANGIBLE FIXED ASSETS

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

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

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### 1. ACCOUNTING POLICIES - continued

##### **FIXED ASSET INVESTMENTS**

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

##### **DEBTORS**

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

##### **CASH AND CASH EQUIVALENTS**

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

##### **CREDITORS**

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

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

##### **STOCKS**

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

##### **TAXATION**

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

##### **IRRECOVERABLE VAT**

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

##### **FUND ACCOUNTING**

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

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

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

##### **HIRE PURCHASE AND LEASING COMMITMENTS**

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

**1. ACCOUNTING POLICIES - continued**

**GOVERNMENT GRANTS**

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

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

**EMPLOYEE BENEFITS**

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

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

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

**FINANCIAL INSTRUMENTS**

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

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

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

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

The following is a key source of estimation uncertainty.

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

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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

**3. DONATIONS**

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

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

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

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

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

**4. OTHER TRADING ACTIVITIES**

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

5. INVESTMENT INCOME

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

6. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

7. CHARITABLE ACTIVITIES COSTS

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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



**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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

**9. SUPPORT COSTS**

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

10. NET INCOME/(EXPENDITURE)

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

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

11. TRUSTEES' REMUNERATION AND BENEFITS

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

TRUSTEES' EXPENSES

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

12. STAFF COSTS

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

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

13. TANGIBLE FIXED ASSETS

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

14. FIXED ASSET INVESTMENTS

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

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

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

15. STOCKS

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

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>5,389</b>	3,822
Prepayments	<b>4,049</b>	<u>2,076</u>
	<b><u>9,438</u></b>	<b><u>5,898</u></b>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>2,088</b>	9,374
Social security and other taxes	<b>1,887</b>	5,063
Other creditors	<b>369</b>	356
Accruals and deferred income	<b>39,494</b>	<u>39,011</u>
	<b><u>43,838</u></b>	<b><u>53,804</u></b>

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

Deferred gallery income totalling £4,292 (2022 - £3,713)

Deferred membership income and entry fees totalling £14,922 (2022 - £11,665)

Deferred donations and grants totalling £9,350 (2022 - £9,193)

Deferred subscriptions £nil (2022 £1,000)

**18. LEASING AGREEMENTS**

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

19. MOVEMENT IN FUNDS

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

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

19. MOVEMENT IN FUNDS - continued

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

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



THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

19. MOVEMENT IN FUNDS - continued

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

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

THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

19. MOVEMENT IN FUNDS - continued

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

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

**Purpose of unrestricted funds**

Unrestricted fund - General fund

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

Designated fund - Brook Street Building Fixed Asset fund

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

Designated fund - Renovations fund

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

## THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS

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

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#### 19. MOVEMENT IN FUNDS - continued

##### Designated fund - Repairs fund

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

##### Designated fund - Reserve fund

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

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

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

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

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

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

##### Prize fund

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

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

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

##### Renovation fund

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

#### 20. EMPLOYEE BENEFIT OBLIGATIONS

##### **Defined contribution schemes**

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

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

**THE ROYAL BIRMINGHAM SOCIETY OF ARTISTS**

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

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**21. RELATED PARTY DISCLOSURES**

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

**22. ULTIMATE CONTROLLING PARTY**

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

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This page does not form part of the statutory financial statements

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