

REGISTERED COMPANY NUMBER: SC000912 (Scotland)
REGISTERED CHARITY NUMBER: SC014650

Report of the Trustees and
Audited Financial Statements For The Year Ended 31 December 2016
for

Royal Glasgow Institute of the
Fine Arts

**Royal Glasgow Institute of the
Fine Arts**

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For The Year Ended 31 December 2016**

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**Royal Glasgow Institute of the
Fine Arts**

**Report of the Trustees
For The Year Ended 31 December 2016**

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 2016. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Institute shall be to promote, encourage and develop the Arts. The charity arranges exhibitions and lectures, as decided by Council, in order to achieve its objectives. The objectives of the Institute remain unchanged. The Council consider the objectives to have been achieved in the year.

Significant activities

This year saw the return of the Open Annual Exhibition (none held in 2014 or 2015). The Royal Glasgow Institute of the Fine Arts would like to thank our corporate sponsors - Speirs & Jeffrey, Robb Ferguson and Ramsay Cornish Auctioneers and Valuers; and prize givers - the City of Glasgow College, Walter Scott & Partners, Lyon & Turnbull, The David Cargill Trust, N S Macfarlane Charitable Trust, House for an Art Lover, Royal College of Physicians & Surgeons of Glasgow, the Crinan Hotel, Art Hire Framing, Glasgow Art Club, the Mabel MacKinlay Endowment, the Cuthbert Endowment, the James Torrance Endowment, and the Milly and Benno Schotz Endowment.

We would also like to acknowledge the support we have received from Glasgow Life who facilitated the return of the Annual Exhibition to the Mitchell Library despite the major challenges this presented.

It is expected that another Annual Exhibition will be held in 2017. The Institute also held many smaller exhibitions at the Kelly Gallery.

Grantmaking

Under the terms of the Constitution, the Council have powers to grant relief to other associations or individuals with objects altogether or in part similar to those of the Institute.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The total income of the Institute from all sources was £85,868 (2015 - £41,044) and the total expenditure for the year was £121,821 (2015 - £63,163), as shown in the Statement of Financial Activities incorporating Income and Expenditure Account on page 7.

The loss for the year prior to investment gains and losses was £35,953, of which £11,547 relates to the annual exhibition and the remaining loss of £24,406 (2015 - £22,119) relates to standard charitable activities, together with the net gain on disposal of investments of £2,604 (2015 - loss £1,042) and the unrealised gain on investments in respect of the year of £34,841 (2015 - loss £26,040). The total funds as at 31 December 2016 totals £572,211 (2015 - £570,719).

Investment performance

As is shown in Note 12, the total cost of the general fund quoted investments was £285,214 (2015 - £346,679). The market value of these investments was £336,698 (2015 - £366,464).

FINANCIAL REVIEW

Investment policy and objectives

The Council have the power to invest in such securities as authorised by the Charities' and Trustees Investment (Scotland) Act 2005 and as set out in the Constitution. The Council regularly take advice from the Institute's advisers and are aware of the fluctuating performance of the investments.

Reserves policy

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation. The unrestricted funds are mainly invested to generate investment income to finance the on-going activities of the charity. Whilst the charity could readily realise cash if required from the investment portfolio, a cash reserve is held to cover between 3 and 6 months of normal expenditure.

**Royal Glasgow Institute of the
Fine Arts**

**Report of the Trustees
For The Year Ended 31 December 2016**

FUTURE PLANS

The main objective of the forthcoming year is the furtherance of the objects of the Institute.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Royal Glasgow Institute of the Fine Arts, formerly The Glasgow Institute of the Fine Arts first met on 29 May 1861. The Institute received the Royal Charter in June 1896 and thereafter it was known as The Royal Glasgow Institute of the Fine Arts and is regulated by a Constitution approved by the Members on 21 August 1879 and as amended thereafter.

Recruitment and appointment of new trustees

The Office Bearers, the Ordinary Members of Council and the Hanging Committee shall be elected at the Annual General Meeting. The President, Honorary Treasurer and Convenor shall hold office for one year and shall be eligible for re-election. There are no restrictions on the number of consecutive years these offices' can be held. The Members of Council, both Artist and Lay, hold office for three years and shall be eligible for re-election. After holding the office for six years the member must retire for one year, before being eligible for re-election. Only Members of the Institute, who are considered to have adequate experience and training to fulfil roles, are eligible to serve on Council.

Organisational structure

The business of the Institute shall be managed by a Council consisting of a President, an Honorary Treasurer, an Honorary Secretary, an Honorary Convenor and thirteen Members.

Induction and training of new trustees

Most trustees are already familiar with the practical work of the charity and informal induction takes place to familiarise themselves with the charity and the context within which it operates. The inductions are led by members of Council and cover the following areas:

- The obligations of Council members.
- The main documents which set out the operational framework for the charity including the Constitution.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk management

The Council have assessed the risks to which the Institute is exposed. The main risk to the Institute is the value and income generated by the equity investments on the London Stock Exchange, which is monitored by the Charity's advisors, Speirs & Jeffrey, and the Council. Since the year end the Council have handed over investment management powers to Speirs & Jeffrey. The Council is satisfied with the risk management procedures.

Philip Reeves RSA PRSW RE RGI

Council is sad to report that the Honorary President and distinguished RGI, Philip Reeves died on 14 March 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC000912 (Scotland)

Registered Charity number

SC014650

Registered office

Regent Court
70 West Regent Street
Glasgow
G2 2QZ

**Royal Glasgow Institute of the
Fine Arts**

**Report of the Trustees
For The Year Ended 31 December 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

President	David Dunbar LL.M. PPRIAS (appointed 7 January 2016)
Honorary President	Philip Reeves RSA PPRS.W RGI RE (died 14 March 2017)
Honorary Vice-President	The Rt Hon The Lord Macfarlane of Bearsden KT DL FRSE LLD HRIAS HRSA HRGI
Honorary Treasurer	Susan Murray
Honorary Secretary	Jacqueline Orr RSW RGI (resigned 30 June 2016) Vacant
Honorary Convenor	Hazel Nagl RSW RGI

Members of Council

The President
The Honorary Treasurer
The Honorary Secretary
The Honorary Convenor
Liz Knox PAI PPAI
Alice McMurrough RSW RGI PAI
David Fagan (resigned September 2016)
David Greenock
Carol Dewart PAI (appointed 7 January 2016)
John Ferry (appointed 7 January 2016)
Nicola Carberry (appointed 4 May 2016)
Alastair Strachan (appointed 4 May 2016)

Representatives from Glasgow City Council

Vacant

Company Secretaries

Robb Ferguson Chartered Accountants
70 West Regent Street
Glasgow G2 2QZ

Auditors

Wylie & Bisset LLP
Statutory Auditors
168 Bath Street
Glasgow
G2 4TP

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Investment Advisers

Speirs & Jeffrey Stockbrokers
36 Renfield Street
Glasgow
G2 1NA

**Royal Glasgow Institute of the
Fine Arts**

**Report of the Trustees
For The Year Ended 31 December 2016**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Royal Glasgow Institute of the Fine Arts 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).

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, Wylie & Bisset LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 May 2017 and signed on its behalf by:

D Dunbar - Trustee

**Report of the Independent Auditors to the Trustees and Members of
Royal Glasgow Institute of the
Fine Arts**

We have audited the financial statements of Royal Glasgow Institute of the Fine Arts for the year ended 31 December 2016 on pages seven to eighteen. 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).

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, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, 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.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

Opinion on financial statements

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 2015 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

**Report of the Independent Auditors to the Trustees and Members of
Royal Glasgow Institute of the
Fine Arts**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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.

Ross McLauchlan BAcc CA (Senior Statutory Auditor)

for and on behalf of Wylie & Bisset LLP

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

168 Bath Street

Glasgow

G2 4TP

2 June 2017

**Royal Glasgow Institute of the
Fine Arts**

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 December 2016**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	9,984	-	-	9,984	13,356
Charitable activities	4					
Income from Exhibition		49,753	-	-	49,753	-
Income from Kelly Gallery		11,385	-	-	11,385	11,889
Investment income	3	13,509	-	1,237	14,746	15,799
Total		84,631	-	1,237	85,868	41,044
EXPENDITURE ON						
Raising funds	5	101,214	10,807	-	112,021	53,363
Other		9,800	-	-	9,800	9,800
Total		111,014	10,807	-	121,821	63,163
Net gains/(losses) on investments		33,881	-	3,564	37,445	(27,082)
NET INCOME/(EXPENDITURE)		7,498	(10,807)	4,801	1,492	(49,201)
RECONCILIATION OF FUNDS						
Total funds brought forward		470,216	10,807	89,696	570,719	619,920
TOTAL FUNDS CARRIED FORWARD		477,714	-	94,497	572,211	570,719

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

**Royal Glasgow Institute of the
Fine Arts**

**Balance Sheet
At 31 December 2016**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS						
Tangible assets	11	190,312	-	-	190,312	174,046
Investments	12	284,972	-	51,726	336,698	366,464
		<u>475,284</u>	-	<u>51,726</u>	<u>527,010</u>	540,510
CURRENT ASSETS						
Stocks	13	-	-	-	-	3,433
Debtors	14	10,459	-	-	10,459	1,693
Cash at bank and in hand		13,350	-	42,771	56,121	56,857
		<u>23,809</u>	-	<u>42,771</u>	<u>66,580</u>	61,983
CREDITORS						
Amounts falling due within one year	15	(21,379)	-	-	(21,379)	(31,774)
NET CURRENT ASSETS		<u>2,430</u>	-	<u>42,771</u>	<u>45,201</u>	<u>30,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>477,714</u>	-	<u>94,497</u>	<u>572,211</u>	570,719
NET ASSETS		<u><u>477,714</u></u>	-	<u><u>94,497</u></u>	<u><u>572,211</u></u>	<u><u>570,719</u></u>
FUNDS						
Unrestricted funds	16				477,714	470,216
Restricted funds					-	10,807
Endowment funds					94,497	89,696
TOTAL FUNDS					<u><u>572,211</u></u>	<u><u>570,719</u></u>

The financial statements were approved by the Board of Trustees on 22 May 2017 and were signed on its behalf by:

D Dunbar -Trustee

The notes form part of these financial statements

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements
For The Year Ended 31 December 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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.

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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

The Kelly Gallery was revalued during the year to 31 December 2013 (note 11) and its estimated useful life was reassessed as being 50 years. Depreciation will be provided at a rate of 2% per annum on a straight line basis in subsequent years.

Depreciation is provided on computer equipment and fixtures and fittings on a 3 year straight line basis.

No depreciation is provided for the Chain of Office as the Council consider the carrying value to be an accurate assessment of its current value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a charity within the meaning of paragraph 1(2) of Schedule 6 of the Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 479 of the Corporation Tax Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

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.

Purpose of Funds

The purpose of the funds of the Society shall after payment of all expenses in management and defending the rights of the Society, be held exclusively for the purpose of encouraging and the appreciation of Art and to arrange Exhibitions or lectures as shall be decided by the Council

Restricted Funds:-

Appeal Fund

This represents monies donated to the charity to assist with the costs incurred holding an exhibition in line with the charities objectives.

Endowment Funds:-

Torrance Memorial Fund

This Award was initiated to provide an Award of £250, to a young Artist for the most promising work selected by a duly appointed Awards Committee.

Schotz Bequest

This award of £250 is for best work submitted by a young sculptor which is selected by a duly appointed Awards Committee.

Caram Trust

On the 18 December 1990, a bequest was made to the institute on behalf of Mr William Cuthbert. An award of £500 is to be made for a work of distinction for a young artist, which is selected by a duly appointed Awards Committee.

Armour Fund

This award of £1,000 is for a landscape or still life work of distinction by a young painter, which is selected by a duly appointed Awards Committee.

Mackinlay Fund

This bequest was made on behalf of Mabel Mackinlay on 4 July 1989. An award was to be set up in Mabel's name, with no restrictions on entries. The selection is to be made by a nominated representative.

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Investments

Investments are shown at market value. Realised gains and losses are taken to the Statement of Financial Activities. The investments of the Society are recognised on the UK Stock Exchanges.

Employees and Council Remuneration

No Council Member receives any remuneration or expenses, except as disclosed in note 8.

Direct Costs

Direct costs comprise the costs incurred in respect of the annual exhibition and in respect of the other sales made at the Kelly Gallery.

Support costs

Support costs comprise the costs incurred in the day-to-day running of the late Institute, including the costs of operating the Kelly Gallery which is the principal administration centre for the Institute.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Annual subscriptions	8,705	9,340
Donations	1,279	4,016
	9,984	13,356
	9,984	13,356

3. INVESTMENT INCOME

	2016	2015
	£	£
Investment income	14,746	15,799
	14,746	15,799
	14,746	15,799

4. INCOME FROM CHARITABLE ACTIVITIES

	Income from Exhibition	Income from Kelly Gallery	2016 Total activities	2015 Total activities
	£	£	£	£
Exhibition Income	31,321	-	31,321	-
Donations	18,432	-	18,432	-
Kelly Gallery income	-	11,385	11,385	11,889
	49,753	11,385	61,138	11,889
	49,753	11,385	61,138	11,889

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

5. RAISING FUNDS

Investment management costs

	2016	2015
	£	£
Support costs	653	735
	<u>653</u>	<u>735</u>

6. SUPPORT COSTS

	Governance costs
	£
Investment management costs	653
Other resources expended	9,800
	<u>10,453</u>

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

Governance costs

	2016	2015
	Investment management costs	Other resources expended
	£	£
	Total activities	Total activities
	£	£
Investment management costs	653	-
Auditors' remuneration	-	2,000
Secretary & accountancy fee	-	7,800
	<u>653</u>	<u>9,800</u>
	<u>10,453</u>	<u>10,535</u>

7. NET INCOME/(EXPENDITURE)

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

	2016	2015
	£	£
Audit fee	2,000	2,000
Depreciation - owned assets	14,834	4,468
Realised (loss)/gain on investment	2,603	(1,042)
	<u>2,603</u>	<u>(1,042)</u>

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

8. TRUSTEES' REMUNERATION AND BENEFITS

One trustee received remuneration in the year ending 31 December 2016 (2015: £nil). This payment was made in accordance with the Memorandum of Association and Constitution. The remuneration was paid to the trustee to perform managerial services.

	2016	2015
	£	£
Jacqueline Orr (Honorary Secretary)	5,500	-
	5,500	-
	5,500	-

Trustees' expenses

	2016	2015
	£	£
Hazel Nagl RSW RGI PAI (Honorary Convenor)	-	443
Jacqueline Orr (Honorary Secretary)	479	240
Jean McFadden (President)	-	854
Joni Ancill	-	7
Karin Currie	-	5
Susan Murray (Honorary Treasurer)	1,438	4
Liz Knox	25	-

9. STAFF COSTS

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

	2016	2015
	£	£
Gallery assistant	2	2
	2	2
	2	2
	2016	2015
	£	£
Wages and salaries	17,073	23,431
Social security costs	-	-
Pension costs	74	-
	17,147	23,431
	17,147	23,431

During the period, no employee received emoluments above £60,000.

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	11,333	2,023	-	13,356
Charitable activities				
Income from Kelly Gallery	11,889	-	-	11,889
Investment income	14,622	-	1,177	15,799
Total	37,844	2,023	1,177	41,044
EXPENDITURE ON				
Raising funds	53,363	-	-	53,363
Other	9,800	-	-	9,800
Total	63,163	-	-	63,163
Net gains/(losses) on investments	(23,589)	-	(3,493)	(27,082)
NET INCOME/(EXPENDITURE)	(48,908)	2,023	(2,316)	(49,201)
RECONCILIATION OF FUNDS				
Total funds brought forward	519,124	8,784	92,012	619,920
 TOTAL FUNDS CARRIED FORWARD	 470,216	 10,807	 89,696	 570,719

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

11. TANGIBLE FIXED ASSETS

	Kelly Gallery £	Fixtures and fittings £	Chain of Office £	Computer equipment £	Totals £
COST					
At 1 January 2016	175,000	2,124	4,628	3,211	184,963
Additions	-	31,100	-	-	31,100
At 31 December 2016	<u>175,000</u>	<u>33,224</u>	<u>4,628</u>	<u>3,211</u>	<u>216,063</u>
DEPRECIATION					
At 1 January 2016	7,000	2,124	-	1,793	10,917
Charge for year	3,500	10,367	-	967	14,834
At 31 December 2016	<u>10,500</u>	<u>12,491</u>	<u>-</u>	<u>2,760</u>	<u>25,751</u>
NET BOOK VALUE					
At 31 December 2016	<u>164,500</u>	<u>20,733</u>	<u>4,628</u>	<u>451</u>	<u>190,312</u>
At 31 December 2015	<u>168,000</u>	<u>-</u>	<u>4,628</u>	<u>1,418</u>	<u>174,046</u>

The Kelly Gallery was revalued at a valuation of £175,000 during 2013. The revaluation was carried out by the Council of the RGI and the Trustees consider that the Council members have the necessary expertise to make a reasonable assessment of the market value of the Kelly Gallery. The Council of the Institute included among its members property professionals including a retired surveyor and a practising architect.

On the historical cost basis, the Kelly Gallery would have been included as follows:

	2016 £	2015 £
Cost	<u>112,150</u>	<u>112,150</u>
Cumulative depreciation based on cost	<u>40,653</u>	<u>38,410</u>

The Society's Chain of Office which was donated in 1962 has an insurance value of £5,000.

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2016	366,464
Additions	3,411
Disposals	(70,615)
Revaluations	37,438
	336,698
NET BOOK VALUE	
At 31 December 2016	336,698
	336,698
At 31 December 2015	366,464
	366,464

There were no investment assets outside the UK.

Cost at 31 December 2016 - £285,214 (31 December 2015 - £346,679).

Investments are held primarily to generate a return for the Society.

The following quoted investments comprise more than 5% of the total market value:

	Cost	Market Value
Aberforth Smaller Companies	£11,878	£21,873
Alliance Trust	£30,176	£37,004
City of London Trust	£14,382	£23,548
Sarasin Intl Equity Inc Fund Inc	£24,097	£33,582
Treasury 2.5% Index-linked 2024	£44,164	£48,624

13. STOCKS

	2016	2015
	£	£
Stocks	-	3,433
	-	3,433

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	7,521	-
VAT	1,531	390
Prepayments and accrued income	1,226	1,122
Social security and other taxes	181	181
	10,459	1,693
	10,459	1,693

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other creditors	<u>21,379</u>	<u>31,774</u>

16. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted funds			
General Fund	470,216	7,498	477,714
Restricted funds			
Appeal Fund	10,807	(10,807)	-
Endowment funds			
Torrance Memorial	5,643	446	6,089
Schotz Bequest	11,563	348	11,911
Caram Trust	26,868	1,106	27,974
Armour Award	28,254	2,015	30,269
Mackinlay Award	17,368	886	18,254
	<u>89,696</u>	<u>4,801</u>	<u>94,497</u>
TOTAL FUNDS	<u>570,719</u>	<u>1,492</u>	<u>572,211</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	84,631	(111,014)	33,881	7,498
Restricted funds				
Appeal Fund	-	(10,807)	-	(10,807)
Endowment funds				
Torrance Memorial	126	-	320	446
Schotz Bequest	54	-	294	348
Caram Trust	250	-	856	1,106
Armour Award	591	-	1,424	2,015
Mackinlay Award	216	-	670	886
	<u>1,237</u>	<u>-</u>	<u>3,564</u>	<u>4,801</u>
TOTAL FUNDS	<u>85,868</u>	<u>(121,821)</u>	<u>37,445</u>	<u>1,492</u>

Fund details are included within note 1 to the accounts on page 10.

**Royal Glasgow Institute of the
Fine Arts**

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2016**

17. RELATED PARTY DISCLOSURES

Other than as disclosed in note 8, there were no related party transactions for the year ended 31 December 2016.

18. LIMITED COMPANY

The Royal Glasgow Institute for the Fine Arts is a private limited company, limited by guarantee. The liability of the members in the event of the company being wound up is restricted to £1.

19. FIRST YEAR ADOPTION

The company has adopted FRS 102 section 1A for the year ended 31 December 2016. There were no restatements required to comparative figures.

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

- to use a previous GAAP revaluation as deemed cost on:
 - an item of property, plant and equipment.

**Royal Glasgow Institute of the
Fine Arts**

**Reconciliation of Income and Expenditure
For The Year Ended 31 December 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		13,356	-	13,356
Charitable activities		11,889	-	11,889
Investment income		15,799	-	15,799
Total		41,044	-	41,044
EXPENDITURE ON				
Raising funds		53,363	-	53,363
Other		9,800	-	9,800
Total		63,163	-	63,163
Net gains/(losses) on investments		(27,082)	-	(27,082)
NET INCOME/(EXPENDITURE)		(49,201)	-	(49,201)

**Royal Glasgow Institute of the
Fine Arts**

**Reconciliation of Funds
At 1 January 2015
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		176,293	-	176,293
Investments		393,443	-	393,443
		<u>569,736</u>	<u>-</u>	<u>569,736</u>
CURRENT ASSETS				
Debtors		1,792	-	1,792
Cash at bank and in hand		78,432	-	78,432
		<u>80,224</u>	<u>-</u>	<u>80,224</u>
CREDITORS				
Amounts falling due within one year		(30,040)	-	(30,040)
NET CURRENT ASSETS				
		<u>50,184</u>	<u>-</u>	<u>50,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>619,920</u>	<u>-</u>	<u>619,920</u>
		<u><u>619,920</u></u>	<u><u>-</u></u>	<u><u>619,920</u></u>
FUNDS				
Unrestricted funds		519,124	-	519,124
Restricted funds		8,784	-	8,784
Endowment funds		92,012	-	92,012
TOTAL FUNDS				
		<u>619,920</u>	<u>-</u>	<u>619,920</u>
		<u><u>619,920</u></u>	<u><u>-</u></u>	<u><u>619,920</u></u>

**Royal Glasgow Institute of the
Fine Arts**

**Reconciliation of Funds
At 31 December 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		174,046	-	174,046
Investments		366,464	-	366,464
Total		540,510	-	540,510
 CURRENT ASSETS				
Stocks		3,433	-	3,433
Debtors		1,693	-	1,693
Cash at bank and in hand		56,857	-	56,857
		61,983	-	61,983
 CREDITORS				
Amounts falling due within one year		(31,774)	-	(31,774)
 NET CURRENT ASSETS				
		30,209	-	30,209
 TOTAL ASSETS LESS CURRENT LIABILITIES				
		570,719	-	570,719
 NET ASSETS				
		570,719	-	570,719
 FUNDS				
Unrestricted funds		470,216	-	470,216
Restricted funds		10,807	-	10,807
Endowment funds		89,696	-	89,696
TOTAL FUNDS		570,719	-	570,719

**Royal Glasgow Institute of the
Fine Arts**

**Detailed Statement of Financial Activities
For The Year Ended 31 December 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Annual subscriptions	8,705	9,340
Donations	1,279	4,016
	9,984	13,356
Investment income		
Investment income	14,746	15,799
Charitable activities		
Exhibition Income	31,321	-
Kelly Gallery income	11,385	11,889
Donations	18,432	-
	61,138	11,889
Total incoming resources	85,868	41,044
EXPENDITURE		
Raising donations and legacies		
Exhibition costs	16,052	-
Exhibition costs - telephone	74	-
Exhibition costs - equipment	342	-
Exhibition costs - insurance	1,810	-
Exhibition costs - trustees expenses	40	-
Exhibition costs - general expenses	2,112	-
Exhibition costs - other	5,178	-
Exhibition costs - postage	654	-
Exhibition costs - prizes	21,150	-
Exhibition costs - advertising	2,706	-
Exhibition costs - bank charges	815	-
Exhibition costs - depreciation	10,367	-
	61,300	-
Other trading activities		
Wages	22,647	23,431
Premises expenses	6,043	5,680
Printing, post & stationery	6,449	8,719
Advertising	3,367	2,902
Purchases	-	92
Sundry	4,853	6,275
PR costs	300	-
President/Convenor expenses	1,942	503
Website costs	-	558
Carried forward	45,601	48,160

This page does not form part of the statutory financial statements

**Royal Glasgow Institute of the
Fine Arts**

**Detailed Statement of Financial Activities
For The Year Ended 31 December 2016**

	2016	2015
	£	£
Other trading activities		
Brought forward	45,601	48,160
Depreciation	4,467	4,468
	<hr/> 50,068	<hr/> 52,628
Support costs		
Governance costs		
Auditors' remuneration	2,000	2,000
Secretary & accountancy fee	7,800	7,800
Investment management costs	653	735
	<hr/> 10,453	<hr/> 10,535
Total resources expended	<hr/> 121,821	<hr/> 63,163
Net expenditure before gains and losses	<hr/> (35,953)	<hr/> (22,119)
Realised recognised gains and losses		
Realised gains on investment assets	2,604	(1,042)
Unrealised gains/losses	34,841	(26,040)
	<hr/> 1,492	<hr/> (49,201)
Net income/(expenditure)	<hr/> 1,492	<hr/> (49,201)