

Company registration number: 07512852

Charity registration number: 1143205

Nottingham Society of Artists Ltd

known as

NSA

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2020

Community Accounting Plus
Units 1 and 2
North West
41 Talbot Street
Nottingham
NG1 5GL

Nottingham Society of Artists Ltd

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Reference and Administrative Details

Trustees	Alan Gardner
	Colin Treliving
	John Pooler
	Ann Clay
	Greg Langfield
	Margaret Spencer
	Jane Sirkett
	Philip Harrison
Principal Office	St Luke's House 71 - 73 Friar Lane Nottingham NG1 6DH
Company Registration Number	07512852
Charity Registration Number	1143205
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 and 2 North West 41 Talbot Street Nottingham NG1 5GL

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Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2020.

Trustees

Alan Gardner, Chairman

Colin Treliving

John Pooler

Ann Clay

Greg Langfield

Margaret Spencer

Jane Sirkett

Philip Harrison (appointed 8 June 2019)

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 01/02/2011 and most recently amended 06/06/2013 as amended by certificate of incorporation on change of name dated 18/06/2013. It has no share capital and the liability of each member in the event of winding-up is limited to £10.

Recruitment and appointment of trustees

The members vote at the AGM for new Trustees to be appointed, or Trustees are co-opted during the year and then their position is ratified at the AGM.

Objectives and activities

Objects and aims

The objects of the charity are for the public benefit, to advance education by the promotion and encouragement of the arts, including all forms of visual arts.

Objectives, strategies and activities

The main activities are providing art classes and gallery space for artists to exhibit their work.

Public benefit

The public can join the classes, improve their skills, and also exhibit their work in our gallery. Members of the public can visit and enjoy our exhibitions.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

We have 9 classes a week for artists to practice their art. We have also had some full day Saturday classes these have proved very successful. Our membership has now reached 209 in number.

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Trustees' Report

Financial review

We are happy with our financial progress.

Policy on reserves

We hold approximately £42,000 as reserve funds. Reserves are held to support the maintenance of our building, we intend to ringfence funds for certain projects this coming year.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Nottingham Society of Artists Ltd for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 7 May 2020 and signed on its behalf by:

.....
Jane Sirkett
Trustee

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Independent Examiner's Report to the trustees of Nottingham Society of Artists Ltd

Independent examiner's report to the trustees of Nottingham Society of Artists Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 and 2
North West
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NG1 5GL

Date:.....

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Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	1,518	1,518	489
Charitable activities	3	29,156	29,156	27,429
Investment income	4	517	517	200
Total Income		<u>31,191</u>	<u>31,191</u>	<u>28,118</u>
Expenditure on:				
Charitable activities	5	<u>(24,504)</u>	<u>(24,504)</u>	<u>(33,037)</u>
Total Expenditure		<u>(24,504)</u>	<u>(24,504)</u>	<u>(33,037)</u>
Net income/(expenditure)		<u>6,687</u>	<u>6,687</u>	<u>(4,919)</u>
Net movement in funds		6,687	6,687	(4,919)
Reconciliation of funds				
Total funds brought forward		<u>694,920</u>	<u>694,920</u>	<u>699,839</u>
Total funds carried forward		<u><u>701,607</u></u>	<u><u>701,607</u></u>	<u><u>694,920</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

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**(Registration number: 07512852)
Balance Sheet as at 31 March 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	639,000	639,000
Current assets			
Debtors	12	87	30
Cash at bank and in hand		<u>69,011</u>	<u>59,371</u>
		69,098	59,401
Creditors: Amounts falling due within one year	13	<u>(6,491)</u>	<u>(3,481)</u>
Net current assets		<u>62,607</u>	<u>55,920</u>
Net assets		<u>701,607</u>	<u>694,920</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>701,607</u>	<u>694,920</u>
Total funds		<u>701,607</u>	<u>694,920</u>

For the financial year ending 31 March 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 5 to 12 were approved by the trustees, and authorised for issue on 7 May 2020 and signed on their behalf by:

.....
Colin Treliving
Trustee

Nottingham Society of Artists Ltd

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Notes to the Financial Statements for the Year Ended 31 March 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Nottingham Society of Artists Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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Notes to the Financial Statements for the Year Ended 31 March 2020

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class
Furniture & equipment

Land & buildings

Depreciation method and rate
25% straight line

Depreciation has not been charged on the land and buildings, because in the opinion of the trustees, the estimated residual value is not materially different from the carrying amount of the land and buildings.

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Notes to the Financial Statements for the Year Ended 31 March 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
	£	£	£
Other income from donations and legacies	1,518	1,518	489
	<u>1,518</u>	<u>1,518</u>	<u>489</u>

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
	£	£	£
Membership subscription	16,988	16,988	17,182
Rental income	3,380	3,380	2,103
Gallery rental	5,399	5,399	5,633
Commission on exhibition sales	1,108	1,108	2,212
Sundry income	1,151	1,151	299
Insurance claim	1,130	1,130	-
	<u>29,156</u>	<u>29,156</u>	<u>27,429</u>

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Notes to the Financial Statements for the Year Ended 31 March 2020

4 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	517	517	200

5 Expenditure on charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Rates & water	3,091	3,091	3,433
Heat & light	4,858	4,858	4,540
Insurance	5,198	5,198	4,303
Telephone & internet	501	501	382
Cleaning	445	445	251
Wages	1,329	1,329	2,421
Exhibition costs	248	248	360
Printing, postage & stationery	2,286	2,286	2,224
Equipment, repairs & premises maintenance	1,702	1,702	2,873
Sundry expenditure	536	536	-
Depreciation	-	-	146
Legal & professional fees	1,086	1,086	1,108
Licences & subscriptions	702	702	692
Major repairs	2,380	2,380	9,804
Donations paid	42	42	400
Honorarium	100	100	100
	24,504	24,504	33,037

6 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2020	2019
	£	£
Depreciation of fixed assets	-	(146)

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Notes to the Financial Statements for the Year Ended 31 March 2020

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2020 £	2019 £
Independent examination	565	555
Other financial services	164	204
	<u>729</u>	<u>759</u>

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	<u>1,329</u>	<u>2,421</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
Average number of employees	<u>1</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

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Notes to the Financial Statements for the Year Ended 31 March 2020

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2019	639,000	1,782	640,782
At 31 March 2020	639,000	1,782	640,782
Depreciation			
At 1 April 2019	-	1,782	1,782
At 31 March 2020	-	1,782	1,782
Net book value			
At 31 March 2020	639,000	-	639,000
At 31 March 2019	639,000	-	639,000

12 Debtors

	2020 £	2019 £
Other debtors	87	30

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	876	2,481
Deferred income	5,615	1,000
	6,491	3,481

14 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

15 Related party transactions

There were no related party transactions in the year.