

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES
Operating as 'The Arts Society'

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

REGISTERED CHARITY No. 1089743
OFFICE OF SCOTTISH CHARITIES No. SC039240

A COMPANY LIMITED BY GUARANTEE AND REGISTERED IN ENGLAND & WALES
No. 04307984

8 Guilford Street
London WC1N 1DA

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

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THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

COMPANY INFORMATION

Patron HRH The Duchess of Gloucester

President Dr Loyd Grossman CBE FSA

Trustees

Chair Liz Woods (appointed 18 January 2022, having been Acting Chair since 1 September 2021)
Julia Charlton-Weedy (appointed 12 May 2021, resigned 1 September 2021)
Julie Goldsmith (retired 12 May 2021)

Vice-Chair Alison Watson (appointed 18 January 2022, having been appointed as a Trustee on 12 May 2021)
Roger Duckworth (retired 12 May 2021)

Treasurer Anthony Strachan MBA, FCG (appointed 17 February 2021)
John Parkinson FCA (resigned 5 March 2021)

Caroline Coleman (appointed 12 May 2021)
Jennifer Harding - Edgar (reappointed 12 May 2021)
Caroline Houlden (retired 12 May 2021)
Peter Kirrage (retired 12 May 2021)
Ben Moorhead DL, FRSA (reappointed 12 May 2021)
Sue Osborne
David Taylor (appointed 12 May 2021)
Carolyn Trevor-Jones
Chris Ward (appointed 16 September 2021)

Chief Executive Dr Florian Schweizer

Company Secretary Timothy Nicholls FCMA

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COMPANY INFORMATION

Principal Bankers	Royal Bank of Scotland plc Belgravia Branch 21-24 Grosvenor Place Belgravia London SW1X 7HN
Solicitors	Simkins LLP Lynton House 7-12 Tavistock Square London WC1H 9LT Hewitsons Kildare House 3 Dorset Rise London EC4Y 8EN
Auditors	Moore Kingston Smith LLP Chartered Accountants & Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD
Investment Managers	Rathbone Brothers PLC 8 Finsbury Circus London EC2M 7AZ

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES
TRUSTEES' REPORT**

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WELCOME FROM THE CHAIR

On behalf of the Board of Trustees and our Management Team, I have great pleasure in sharing with you our Annual Report and Financial Statements for 2021. The charitable objects of The Arts Society are to promote arts education, preserve artistic heritage and champion the advancement of arts, culture and heritage for public benefit. In 2021 The Arts Society has continued to explore new ways to fulfil those objects and to plan for our long-term future.

Many people have remarked to me recently how time has collapsed over the last two years. We seem to have difficulty in remembering the differences between 2020 and 2021. There has been too much 'sameness'. As I write this in early 2022, I am filled with hope of a return to normality. That said, of course some things will never be the same again. The pandemic has forced many of us to meet new challenges and learn new ways of doing things. Social isolation has made us realise the things we might have taken for granted. It's not just friends and family that we have missed seeing over the last two years, it's also those acquaintances and familiar faces seen at our lectures. We are all very conscious now that The Arts Society is about community, common interests and sociability - as well as about art and heritage.

What The Arts Society does in the UK and beyond, is grounded in our local communities and coordinated almost entirely by thousands of fantastic volunteers who run our network of Societies. I cannot thank them enough for what they do for all of us. Some volunteering projects have inevitably been put on hold but amazingly many of our volunteers have found innovative ways to carry on.

Most of our small team of professional staff carried on working from home in 2021 as they did in 2020 but as restrictions lifted there has now been a return to Guilford Street using a model of hybrid working. This model will require us to review our future requirements, to ensure that we are utilising our resources in the most appropriate manner. Like our Societies, our staff too have risen to the challenge of combining online communication with the benefits of face to face contact. They have been unfailingly patient, professional and good humoured in the face of many challenges and frankly we owe them everything.

The two projects that were undertaken centrally this year to keep us all in touch with each other, namely "Around the World in 80 Days" and "Artvent" were both the brainchild of our CEO Dr Florian Schweizer. There is more about these two activities later in this report but the accolades that flooded in during and after members engaged with those projects, reminded us of how lucky we are to have his enormous talent and energy at our disposal.

Using technology has enabled us to carry on training and supporting Societies. It has meant that we could hold the first of what will be regular 'Town Hall' meetings between members, volunteers, Trustees and staff, and that can only be a good thing. The more we understand each other the better and stronger we will be as an organisation.

I would like to thank all of those who have contributed to this document. The Heads of Volunteering, Chairs of Committees and Working Groups, and members of staff, whose contributions, are in their own words and I hope do justice to the story of 2021.

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Finally, the members of the Board of Trustees have brought wisdom, experience and farsightedness to everything they do for The Arts Society. My personal thanks go to them for their support, insight and understanding. They are a great team.

Liz Woods
Chair
13 April 2022

A handwritten signature in dark ink, appearing to read 'Liz Woods', followed by a period.

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projects in both commercial and charitable sectors gained over 20 years. She was co-opted as Trustee to assist with The Arts Society's digital strategy.

Julia Charlton-Weedy

Julia was first elected as a Trustee in 2016 and was elected as Chair in May 2021 before stepping down in September 2021. Julia spent 24 years moving around with her husband who was in the army. She completed a BA Hons followed by an MA in History of Art and has been a member of The Arts Society, York for over 30 years.

Peter Kirrage

Peter joined the Board in 2018 after being involved with The Arts Society for many years. He held positions as Chair of The Arts Society de la Frontera, Chair of the Area Team for Mainland Europe and assisted in establishing Societies in Gibraltar and Benahavís. He spent his working life as an international banker for over three decades in Europe, the Middle East and Far East. Peter retired from the Board in May 2021 and sadly passed away in September 2021 after a courageous and dignified battle with cancer. Peter loved to socialise with friends over good food and a glass of wine. His big booming voice and infectious laugh is something his friends and colleagues will never forget.

Welcomed in 2021

Caroline Coleman

Caroline first became a Trustee in 2021. She has held numerous roles within The Arts Society including Society Chair of The Arts Society Guildford Evening and Chair of the Area Support team for West Surrey. Caroline resides in Guildford and works as a freelance gardener.

David Taylor

David was elected as a Trustee in 2021. Originally an academic at The University of Newcastle upon Tyne, David changed to become a Chartered Psychologist working as a consultant, developing and coaching people and teams within the public sector, government and global businesses. David was Chair of The Arts Society Truro and lives in Cornwall.

Alison Watson

Alison was elected to the Trustee Board in 2021. She lives in West London and is the Inaugural Chair of The Arts Society Chiswick. Alison trained as a paediatric nurse and rose to be a Clinical Director at Great Ormond Street Children's Hospital, before setting up and leading a successful child health consultancy for over 20 years.

Co-opted trustees

Tony Strachan

Tony was co-opted to the Board as Treasurer in March 2021. He is a Fellow of the Chartered Governance Institute and spent his career with the Bank of England as well as having served on the

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Courts of three universities. Tony has been a member of many Societies and has been both a Society Treasurer and Area Treasurer for Scotland and Northern Ireland. Tony lives in Scotland and enjoys the local countryside, reading and the arts, especially music (he plays the oboe).

Ben Moorhead

Ben was first co-opted to the Board in 2018 for his legal expertise. Until early 2022 he was a solicitor in the City of London, with speciality in sports law, charity law and business enterprises. He has been involved with many charities and sports bodies across the UK including Sport England, The Mountbatten Memorial Trust, Canterbury Cathedral Trust, The Creative Dimension Trust and Finance Committee Member of The Royal Foundation of The Duke and Duchess of Cambridge to name a few. Ben divides his time between London and Kent.

Chris Ward

Chris was co-opted to the Board in 2021. He has spent over thirty-five years in the advertising, service innovation, data driven personal communications industry in the UK and US. Chris has worked in global network companies, start-ups, scale-ups and has set up and built three companies. He very much enjoys working with an organisation with passion and a desire to change, as change is the lifeblood of success and he thrives on being part of a dynamic and progressive team.

Around the World in 80 Days

Around the World in 80 Days was a digital project hosted on The Arts Society Connected platform. Based on the adventure novel of the same name by Jules Verne, viewers (or virtual travellers as they were referred to) embarked on a virtual journey around the world with this lecture programme. The virtual travellers followed in the footsteps of Phileas Fogg from the novel and explored 24 destinations over 80 days. The virtual travellers were guided by our Accredited Lecturers, enjoying arts from all over the globe.

The programme ran from July to September 2021 and included 25 lectures and 10 live events. Around the World in 80 Days reached audiences in the UK, Australia, USA, Belgium, New Zealand, Spain, France, Netherlands, Germany and Canada. The purpose of the project was in part to provide research insights for possible future services development of the charity. It also delivered value and public benefit through the content at a time where so many were still isolated and unable to travel as the result of Covid.

A post-project survey was carried out and the reception was overwhelmingly positive. The 'Around the World in 80 Days' blog had over 35K views, including one blog with a video in it that had 10K views. There were 38,561 visits to the Virtual Travellers Area, 232,551 page views and 25,071 unique visitors.

There was a clear sense that the series came across as professional and as a result over 90% of members and 100% of non-members that completed the survey, felt that The Arts Society was a place to go for interesting and high-quality virtual talks and tours.

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The summer of 2021 saw many restrictions across the world and so one aim of the series was to bring people together to enjoy a 'digital summer holiday' - something many of us were unable to do in reality. As such it was imperative that the travellers felt a sense of community and this was achieved through the regular commentary and interaction under the video as well as the live events. When asked, over 80% of both members and non-members recommended the series to their family, friends and colleagues. Many commented on the benefits of the escapism the series brought as well as a way to keep many of the Society members connected.

Around the World in 80 Days was a brand new venture for the charity and as such it was important to hear what the travellers felt about the series. The most commonly used terms were:

Enlightening
Interesting
Excellent
Fascinating
Inspired
Enjoyable
Informative

The series encouraged the virtual travellers to reach out and express their enjoyment, their thanks for producing something digitally at a time where many were still in lockdown and how it enriched their lives. Below are just a handful of the positive comments received:

*The lectures are high quality and brilliant but I really, really enjoyed the readings.
I must thank you so much for Round the World in Eighty Days and congratulate you for acting on the idea. I loved it all and followed it in my copy of the book*

I have no other suggestions but would like to thank everyone for all their hard work arranging these talks. It was something to look forward to during lockdown.

I LOVED this series and would really encourage you to do another one. We've been in lockdown for the past 2 month and it really helped pass the time. I loved the way it was staggered to coincide with the book and I learned so much from the lectures. PLEASE do another one!

Thank you to all at The Arts Society who were responsible for the amazing "Around the World in 80 Days" extravaganza. In difficult times for The Arts Society and ADFAS this project connected us all.

I just want you to know that Around the World in 80 Days was amazing and so helpful to my husband and myself while in lockdown! 240 + days in Melbourne. Giving us something to look forward to. Thank you!

The project delivered against its content and public benefit objectives. It also provided vital insights for the R&D activities carried out by the charity during 2021, contributing to organisational learning, data collection and capacity building targets. The Arts Society aims to enrich lives through art, and Around the World in 80 Days certainly did that.

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Artvent

Following and building on the success of Around the World in 80 Days, the second Research and Development project in 2021 was called Artvent. It delivered 31 pieces of content created or curated by The Arts Society, including 19 videos created specifically for Artvent. Users were required to sign up to a mailing list which enabled them to receive a daily arts 'gift' for each day of December. Special consideration was given to utilising the Advent calendar model but extending the entire month of December so that a diverse range of festivals and cultures could be showcased, all based on the theme of light.

The audience engagement was arguably the largest in The Arts Society's history with 294K site sessions recorded in December and 267K site users. Interestingly, Artvent saw a marked increase in users from the USA and Norway, regions where The Arts Society does not otherwise have any reach.

Just as with Around the World in 80 Days, over 90% of members and non-members viewed The Arts Society as an organisation that produces interesting high quality content. Over 70% of members and non-members recommended Artvent to their friends, family and colleagues and 79% of members said they would join The Arts Society for another virtual offering.

One aim was to seek financial support towards the Society's charitable activities, and the project raised £3,200 towards its grant giving work. This was a new endeavour and allowed us to showcase our grant giving scheme in a way that The Arts Society had not done before.

Artvent sought to be more inclusive and diverse through the arts and cultures covered. This was met with an overwhelming positive response and a clear appetite for more content like this. It was telling that, when both members and non-members were asked how they 'felt' about Artvent, words such as 'illuminating' and 'enlightening' appeared frequently. Others included:

Interesting
Fascinating
Inspiring
Innovative
Stimulating

Aside from the Research and Development insights gleaned from this project there were clear public benefit outputs from this project. Many users commented on how the project aided their well-being and how it helped with isolation during the winter Covid restrictions:

A big thank you - the calendar was a little treat to look forward to during a grim winter.

I have a disability so having Arts come to me is so rewarding and living away from London makes me feel included.

As I have had to be extremely careful over the last couple of years as I have a blood cancer this was something to look forward to each day. A very intelligent friend, to whom I emailed the Artvent access, & who has seen a few of your monthly highlights has now joined as a supporter. This says it all I think.

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Being alone and disabled at Christmas is an emotional time. The calendar gave me little learning opportunities to relax into and enjoy.

The content of messages is spectacular - so informative, entertaining, and enlightening. These enhance my well-being during these years of pandemic and give me the opportunity to see and learn about UK museums and galleries. I am deeply grateful so please continue to provide the wonderful messages and events.

Users also commented positively on the range and diversity of subjects in the series:

The Artvent project was a joyful experience and wonderfully stress busting. I looked forward to each day's instalment, particularly admiring the diversity of content.

I really hadn't expected to enjoy opening the calendar every day and getting a snap shot of such interesting and diverse subjects. It informed lots of interesting chats with my family over Christmas. I thought the series offered an accessible route into new areas of art for people like myself.

The variety of art and cultural aspects of Christmas related themes was enlightening.

This was a real December highlight for me. It has encouraged me to join!

The Arts Society Grants 2021

Local Societies are very aware that The Arts Society's constitution provides as its main objective the promotion and advancement of the education of the public in the cultivation, appreciation and study of the decorative and fine arts.

Since 2020 the Board of Trustees and its Grants Committee changed its direction and determined in light of the suffering, disruption and impediments created by the Covid pandemic, that they would support charities within communities adjacent to local Societies. These grants are sometimes more modest than previous grants but are equally impactful. The Grants Committee has tried to distribute grants among all regions so that no county or region should feel left out.

The subject of grants ranges widely from conservation students and arts education and learning generally including ballet and music through to fundamental grants such as providing a primary school with paints and clay.

Some examples of grants given in 2021 include:

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Community Grants

The Arts Society Dumfries & Galloway

Have supported the local Dumfries and Galloway Youth Orchestra. The orchestra welcomes young musicians from across the region who play together as a full orchestra as well as practise in small groups under expert professional guidance. Playing in the orchestra helps improve young people's playing skills as well as helps them develop the ability to listen, teamwork, analytical, creative and communication skills.

The Arts Society Wensleydale

Have supported We Can Dance, which provides dance lessons for children with learning difficulties in the North East. The dance lessons bring music and movement to young people with special educational needs, autism, physical disabilities, sensory impairment and behavioural difficulties.

The Arts Society Ebor (York Evening)

Used their Community Grant to support the Refugee Action York. This charity focuses on the healing benefits of art in all its forms to help refugees in the city and in particular those from war torn regions suffering from PTSD.

The Arts Society Blackheath

Have awarded a grant to Age Exchange, a hub of community activities specialising in reminiscence based intergenerational arts projects for people living with dementia, loneliness and isolation.

The Arts Society Surrey Hills

Supported the Jigsaw Trust, a locally based school charity specialising in the support of children with autism.

Society Grants

The Arts Society West Cornwall

Received a grant to help fund a pop-up art exhibition (as part of the Penzance Art Festival 2021) featuring the work of fourteen students from Penwith College Art and Design Students. In addition to the pop-up lecture the grant also funded workshops for the students where an established artist told them about their career and a local gallery owner discussing 'how best to approach a gallery'.

The Arts Society Liverpool

Used the grant they received in spring 2021 to fund a children's art week at a primary school in a deprived area of Liverpool culminating in an exhibition. The school has a mixed intake of children, including refugees and is currently rated as a failing school with very limited art being taught. The art

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week helped teachers learn and develop new skills whilst giving children access to exciting arts projects culminating in the exhibition. The long-term effect of the art week meant that the teachers involved could share their new knowledge with colleagues allowing them to increase the importance of art in the work of the school.

The Arts Society Leeds

Continuing their support for the Opera North Youth Company, The Arts Society Leeds wanted to contribute to the production of the children's opera Brundibar which brought together the Opera North Children's Chorus and Young Voices choirs, alongside a small chamber orchestra from Newcastle's Northern Sinfonia culminating in 4 performances on Holocaust memorial day. 26 young singers worked alongside professionals to develop their skills as well as deepen their understanding of the historical context. This will be followed by workshops delivered in schools to promote understanding of the opera and its context.

The Arts Society Poole

The Arts Society Poole are using their grant for a project involving local older people, pupils from special schools and other family groups which aims to help to transform Poole Museum into a thriving cultural space and community hub with enhanced opportunities for people to learn, play, gain skills, improve wellbeing and bolster social connections. Working with local artists, participants will help create new hoardings for the museum promoting its collections and place in the local community.

The Arts Society South Suffolk

South Suffolk used their grant to donate art packs to a small rural school of less than 70 pupils with little money for its budget for the arts and where everyday items like paint, sketch books and clay are a luxury. The school could not routinely buy these items on an annual budget and often the cost was met by the teachers themselves. South Suffolk's grant has allowed the school to purchase art materials for its classes to cover a year. A simple project but one that is much appreciated by staff and pupils alike.

Grants to External Charities

Central School of Ballet

The Arts Society has been pleased to work with the Central School, a world-renowned ballet School since 2016. The grants given to the school allow two students from less well-off backgrounds to study ballet. The grant given to the School in 2021 allowed two young men to pursue their studies and we have been informed that in spite of difficulties caused by the lock down the two are excelling on their courses and have a promising future in dance.

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Co-ordin8

Co-ordin8 offer low cost or free creative and educational activities to adults with learning disabilities within Torbay and South Devon. The grant given to them in spring 2021 was used for 'This is Me...Here I Am Again' an exhibition of artwork by adults with learning disabilities from across Torbay, who access different services. They also include opened the exhibition to carers, who had borne the brunt of the care during lockdown.

West Yorkshire Print Workshop

The West Yorkshire Print Workshop is an open access print workshop, promoting traditional, contemporary and innovative printmaking to professional printmakers and the wider community including children, young people and their families. The Workshop is particularly keen to help young people and the Arts Society gave them a grant to provide two early career printmakers a yearlong Print Fellowship, each will be provided the opportunity to gain access to specialist knowledge, artist mentors, resources, a network of artists and professional arts managers.

Volunteering Review

The last two years have set the volunteers many challenges, to which they have risen admirably. From the reports which have come in, from visiting projects and from meeting volunteers, it is clear that the thirst is very much there, for getting involved in and contributing to many heritage projects, to setting up trails and to instigating arts projects with the young, vulnerable and elderly. We are proud of what has been achieved under difficult circumstances and look forward to drawing on the eagerness that our volunteers bring to getting back to projects put on hold during lockdown...and to starting new ones, working under The Arts Society banner.

Clearly, we have to learn from the last two years, as various levels of expectations, enthusiasm, budgets and recruitment of volunteers dictates. Flexibility is crucial. We must look at a wider spectrum of volunteering opportunities. We must look for the gaps and find areas where the help that we can give would enable heritage, educational and therapeutic arts projects to thrive. We must look for new partnerships and show that we do not work in isolation.

We do not only clean books and repair textiles...we fund young art projects, we take art into railway stations, we provide memory trails for Alzheimer sufferers, we run art classes online, we catalogue, we research, we care for our heritage, we reach out to communities and we solve problems.

Our key questions should always be: Where is our help needed? How can we attract new volunteers among our current and new members? How can we support curriculums and keep the arts alive for the young? How can we publicise what we do, tell our stories and get the message out that The Arts Society is there to make an impact and lead the way in volunteering?

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projects. How do we build on the success of 'work from home' projects introduced during lockdown?

The Marsh Awards recipients of 2021 ably demonstrated the variety, initiative and commitment that our volunteers bring to the party. They are to be congratulated in leading from the front and making things happen. We are grateful that the Marsh Charitable Trust enables us to acknowledge their contributions.

As always, a huge thank you to ALL our volunteers.

Heritage Volunteers

At long last we are emerging from the restrictions and difficulties that were mentioned in last year's Heritage Volunteer report. Things are sometimes moving slowly, nonetheless many projects are back in action.

The two 'remote, work from home' projects that we started last year are both completed. The project with the Royal Philatelic Society, helping to make information from ledgers in their extensive library more accessible for research purposes, has been completed.

The project to make 'book trousers', the cutting out of a paper shape to wrap round the spines of the books in the House of Lords archive, was very popular.

This was our first project that could be undertaken by our members from anywhere in the country, rather than the more usual involvement of one or more Society working together. We hoped to involve members from 'North Scotland to the Isle of Wight', and we achieved this, with many Societies being represented. We have now reached the original target of 16,000 sets of paper 'trousers', and the Parliamentary Archives are very pleased with the standard of work of our volunteers.

Some projects managed to continue all through the pandemic. One such was the stewarding project that members from the Beds & Herts Area do at the Henry Moore Institute at Perry Green. With a few small adjustments to their usual pattern and extra distancing and mask wearing, they continued to provide information and guidance.

Some projects, ready to go before Covid hit, continued to plan and arrange until such time as it was possible to get our members back. One such was the Heritage Volunteer team from the East Surrey Area for a new book conservation project at West Horsley Place, the historic house, inherited by the recently deceased Bamber Gascoine, and being partly converted to a cultural hub. The team were ready to start immediately conditions allowed, and they are happily settled in the two beautiful libraries, filled with rare, old and interesting books.

It is very encouraging to see how many other projects, ready to go or just started before Covid got in the way, are now rapidly springing into life across the country, and several totally new projects are appearing as well, including this very individual one, a first of its kind for our volunteers.

Hilary Olleson - Head of Heritage Volunteering

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Trails of Discovery

Trails of Discovery has continued to expand throughout 2021 with twenty-two new trails being registered and twenty-seven trails being completed. This is really encouraging as it shows our members are keen to be involved in volunteering. Anyone creating a trail is supported by an Area Representative who shares their experience and knowledge of Trails of Discovery. In 2021 we did have a few of our Area Representative stand down for a variety of reasons but have been lucky in finding some replacements, for which we are very grateful.

We have achieved many of the aspirations we had in 2021 to expand Trails of Discovery. We have two trails, each of which has followed the life and achievements of a particular person - The Sime Gallery at Worplesdon houses a major collection of the fascinating and highly characteristic work of Sidney Herbert Sime the renowned illustrator, artist, and caricaturist. Many of his works have close links to the area immediately surrounding the gallery. This trail guides you to some of those places and provides a backdrop for the local characters, many of them Sime's drinking companions at The New Inn, that feature in his work. The other trail follows the life of Joe Grimaldi, acknowledged to be the father of modern clowning. He created the colourful clothes, white face, red lips, and red nose of a clown.

Another development is our Train Branch Line trails. These trails accompany a train journey and tell you about the interesting history, architecture, art, and culture along the route. We are working with Community Rail Network who are happy to promote our trails on their website which will make our trails more widely available and promote The Arts Society.

We have also created a craft trail at Farnham, a World Craft Town, which means it is recognised around the world for the unusual and exceptional number of local artists, galleries, art centres and museums in the town. Also, in West Surrey we have two other types of Children's trails, one is a quiz around an historic barn and the other is a Garden trail.

Our Neighbourhood trails have become more popular, mostly they are for children, but some are a walking trail for families. With the introduction of the use QR codes it has made these types of trails much easier to access and use. The use of QR codes has gained momentum as downloadable and interactive trails do not need to be printed; all that is needed is a poster with the QR code for people to scan with their phone or tablet.

Church trails for children are still popular and as visiting places of worship is part of the school curriculum for Primary School children our trails are much appreciated by the teachers. They give the children features of interest to look at where they find the answers to the questions asked in the trail. When launching the trail with a local school we do still print copies of the trail for the children. This way they can take the trail back to school to carry on working with it in class. We are still working with the National Churches Trust who have many of our trails on their website.

Pauline Stewart - Head of Trails of Discovery

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Arts Volunteering

2021 has proved another difficult year for us all but we have been encouraged and humbled by the tenacity and drive of our many Arts Volunteering Reps across the organisation who have found ways to carry on with their long-term projects and indeed to react creatively and nimbly to the immediate needs of their local communities. A huge variety of Society projects and funding has enabled schools, museums, galleries and charities to provide much needed arts programmes during lockdowns and restricted operations. Bravo! To everyone who has gone the extra mile throughout the year you have undoubtedly made a difference to the lives of those in need in your community and the lifted spirits of all involved.

The Arts Society Community Grants were available to every Society in the organisation for the year to help with post pandemic recovery of the Arts locally. An amazing 300 Societies applied for and used the grants of £250 each which were on offer. The scope and variety of projects was truly breathtaking and we can now begin to understand the deep engagement and connection each Society has locally and the causes and organisations The Arts Society as a whole helps to fund and support. From helping with the running costs of local arts organisations, many venues used by Societies, to putting art materials into local Food Bank offers, supporting local charities to run virtual workshops, lessons and when circumstances allowed to provide 'in real life' sessions enabling people to reconnect and begin to socialise again giving bursaries.

Many of the projects in 2021 reflected the changed environment we have been living in and needs that have arisen during the past year. We saw an increase in the provision of art therapy sessions through workshops for young carers and for children who had experienced some trauma, as well as for people in hospitals and hospices. Support for prisoners by providing opportunities to engage in art was also notable during the year. Some projects took place through donating funds to a charity which could deliver specialist support through the arts to children with particular difficulties to overcome, or to work with prisoners.

Projects which promoted wellbeing also featured, helping children with communication after periods of isolation from school and each other - through supporting drama projects, and engagement with music, dance and theatre - performance art which gave them the opportunity to express themselves. Creating art outdoors was another route to enhancing wellbeing. The emphasis was on creativity and self-expression underpinned by a welcoming environment in which the events took place.

Providing bursaries remained important in 2021 to help students without sufficient financial means to undertake their studies. Other projects supported art teachers through Continuing Professional Development giving back to them so that they can inspire their pupils to further creativity.

All of this was helped by the eventual relaxation of restrictions so that artists could once again engage directly with the various groups and do hands-on live workshops with paint, clay, musical instruments, words or whatever means of art engagement they chose.

Cherry-Anne Russell - Head of Arts Volunteering

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FOR THE YEAR ENDED 31 DECEMBER 2021

Structure Governance and Management

Governing Document

The National Association of Decorative & Fine Arts Societies, operating as "The Arts Society", is a company limited by guarantee (company number 4307984) governed by its Memorandum and Articles of Association and is also a charity registered with the Charity Commission (registration no. 1089743) and with the Office of the Scottish Charity Regulator (registration no. SC039240).

Objects of The Arts Society

The Charitable Objects are:

- the promotion and advancement of the education of the public in the cultivation, appreciation and study of the decorative and fine arts;
- the conservation and preservation of the artistic heritage of the United Kingdom and other countries for the benefit of the public; and
- the advancement of the arts, culture and heritage, in particular, but without limitation, the decorative and fine arts.

Trustee Board

The principal role of the Trustees is to set the strategic direction. The role of the Chief Executive and his team is to implement and manage the strategy set by the Trustees.

Appointment of Trustees

The maximum number of Trustees is fifteen of whom a majority must be elected by the voting members and therefore up to seven may be co-opted. Trustees retire after completing a three-year term and are eligible to serve a further three-year term but, may not serve for more than six consecutive years in total. They determine policy and have ultimate responsibility for the activities of the charity. Trustees who served during the year are listed on page 1.

A notice of election is sent out annually accompanied by details around vacancies, the role, and time commitment, to encourage appropriately skilled and experienced members to apply.

Trustee Induction and Training

New Trustees receive an induction and mentoring programme to ensure they understand their legal obligations under charity and company law, the content of the Articles of Association, consultation and decision-making processes, the strategic plan, financial performance and current issues. Trustees are encouraged to attend external training where it will improve the effectiveness of their contribution. Internal training and mentoring, including joint training with senior staff members, is also arranged as required.

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Trustees undertake an annual review of the various skills represented on the Board which is helpful as a development tool and is also used as a basis for indicating the skill requirement for potential Trustees, and as a basis for recruiting co-opted Trustees with specific skills and experience.

The governing body is the Trustee Board, all of whom are Directors, and who appoint one of their number as Chair and one as Vice-Chair. There are up to five Board meetings and generally one strategic planning session each year. Board Member attendance for 2021 was 94% (2020 – 91%).

The Trustee Board has set up a number of committees to which it has delegated authority for certain functions. The Finance, Audit and Risk Committee meets at least twice a year and is chaired by the Treasurer.

The Nominations and Remuneration Committee meets at least once a year to review employment and remuneration policy and to recommend salary levels, taking into consideration employment market rates, performance and length of service. In addition, the Committee will consider the recruitment of co-opted Trustees and also the desired skills to be sought through the election process.

The Grants Committee meets at least twice a year to develop policy and to administer grants paid from the Patricia Fay Memorial Fund and the Zena Walker Bequest Fund.

Working groups, consisting of Trustees, staff and others with appropriate skills and knowledge are formed to examine specific issues as and when required.

The Chief Executive is appointed by the Trustees and is responsible for the efficient management of the organisation and the delivery of agreed strategies. The Chief Executive is appraised annually through a process which allows full involvement of the Trustee Board.

The Board appraises its own performance and effectiveness once every two years. Trustees are asked to complete questionnaires on all aspects of the Board's work and the results are assessed and discussed by the Board. The Chair is formally appraised once a year by the Trustee Board. Individual Trustees complete a self-assessment on their own performance which is discussed during an annual meeting with the Chair.

Area Support Teams are legally part of The Arts Society and are teams of volunteer representatives and advisors. The Chairs of the Area Support Teams report to the Chief Executive. There are nineteen UK Area Support Teams and one European. An Overseas Area Representative is appointed and liaises with the Australian Group Associate Member (ADFAS) and the New Zealand Societies. These Area Support Teams are an important part of the overall structure and undertake a valuable role in many aspects of the organisation, including communication from the Trustees to the Societies as well as communication in the other direction.

The National Support Team works closely with the Chairs of the Local Area Support Teams to identify and develop opportunities to establish new Societies, and to provide direct support and help to vulnerable Societies, working closely with the area in which the Society is based.

Public Benefit

From the review of activities, the Trustees are confident that they have demonstrated how they have complied with the duty of Charities Act 2011 to have regard to guidance published by the Charity

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Commission on the operation of the Charity for the Public Benefit. The guidance is fully borne in mind by the Trustees when setting the strategic plan.

Related Parties – Subsidiary undertakings

The Arts Society has two wholly owned subsidiary companies, NADFAS Enterprises Limited ('NEL') and NADFAS Tours Limited ('Tours'). Both companies' registered office is the same as their parent company.

NEL is responsible for the magazine and online content which is distributed to members, and also runs a very small online and mail order shop.

Tours receives commission from specified commercial partners. This commission is paid to the company directly by the commercial partner and members pay exactly the same price as any non-member booking in identical circumstances.

Corporate Social Responsibility

As a membership organisation The Arts Society approaches its responsibility in two ways; firstly, by examining the practices of its central operations and seeking to ensure they are environmentally responsible. Secondly by encouraging and supporting member Societies to take practical and sustainable actions where possible to help the environment.

Equality, Diversity and Inclusion

We have an unwavering commitment to diversity with the aim that each and every one of our people has a full sense of belonging within our organisation. Everyone at The Arts Society has the responsibility to create and sustain an inclusive environment.

Inclusion and diversity are fundamental to our culture and core values. We believe that no one should be discriminated against because of their differences, such as age, ability, ethnicity, gender, gender identity and expression, religion or sexual orientation. Our rich diversity makes us stronger— more welcoming, more innovative, and more creative, which helps us better serve our communities

Gender Pay Reporting

Although we are not required to report on gender pay under the *Gender Pay Reporting Regulations*, we feel that it is an important issue. We support equality through fair pay and our job evaluation framework has ensured that males and females at The Arts Society receive equal pay for work of equal value. However, small changes at senior and managerial levels can have a big impact on the pay gap in an organisation of our size. Overall, the gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive and the median gap at The Arts Society in 2021 was 25% (the national average is 20%).

Risk Management

In accordance with the risk management policy set by the Trustee Board, a risk register is held. This lists the principal risks, both internal and external, to which the organisation is exposed and gives estimates both of the likelihood of the risk becoming a reality, the degree of impact that its occurrence

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would have on the organisation, likely causes, existing controls and new actions being taken to mitigate the risk. On-going review and appraisal of risk takes place through the Finance Audit and Risk Committee which reports back to ensure that mitigating action is taken by the Trustee Board where a requirement is identified.

Principal Risks

The organisational risk register which is reviewed by the Finance Audit and Risk Committee and is maintained as a live document for the Trustee Board, records that the most significant risks relate to the potential for a significant loss of subscription income (from Members) and a reduction in commercial income (generated through advertising revenue and commissions) from the two subsidiary companies.

The Trustees have specifically considered the impact of the coronavirus on the operations and whilst they consider that it does not impact the ability of the charity to continue as a going concern, the two key risks above have been amplified. The Trustees are monitoring them very closely to both mitigate where possible and provide timely responses which can be deployed as necessary. This will also form part of the strategic plan which is currently being developed.

The actions which are currently being taken around subscription income, include supporting the implementation of online lectures through the provision of licenses, training and a hosting service while physical lectures may not be possible or desirable. Additional online content and resources have been rolled out in an attempt to maintain engagement, and the development of future PR strategies for recruitment and retention have been developed.

For commercial revenue, actions include an updated strategy around the magazine and the continued development of an enhanced digital presence in an attempt to maintain engagement with existing audiences while also seeking to reach new audiences

The generation of commission income will remain problematic due to the weighting towards travel partners. Actions are in place to strengthen existing relationships in anticipation of the market reactivation, whilst also seeking to diversify away from the travel sector.

The Trustees realise that anything which adversely affects the reputation of the charity represents a risk which could impact on subscription, and commercial income streams. As such they monitor this very closely, using external support if necessary.

It is also recognised that with such a small staff team the loss of key staff is a risk. The Nominations and Remuneration Committee do take this into consideration when making its recommendations.

Financial Review

Results

A breakeven position was delivered in line with the original budget. After accounting for transfers to designated funds and net investment gains the overall outturn on the General Fund for 2021 was a surplus of £16,513.

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A breakeven budget has been set for the General Fund for 2022 so as to ensure future sustainability. The ongoing situation in Ukraine has adversely affected investment values, however, investment gains or losses are not budgeted for.

Investment powers and working capital policy

Under the Articles of Association, the organisation has the power to invest in any way the Trustees choose. It is the policy of the Trustees to hold working capital on deposit with banks and building Societies until such time as it is required to meet current expenditure. Long-term investments are managed by Rathbone Brothers Plc following an investment approach which is set out in the "statement of investment policy" (due to be reviewed in 2022). The policy looks to achieve an annual return of CPI + 4%. In addition to this holding, some funds are invested with CCLA in their Charities Income Fund thereby providing a useful benchmark.

Reserves Policy

The total fund balances at 31 December 2021 were £2,874,228 of which £2,015,526 relates to designated funds. There are currently no restricted funds held. The balance of £858,703 represents the free reserves of the group.

The group policy for 2021 on general reserve funds was to maintain a level of reserves equivalent to 6 months' operating expenditure. It is also the policy to maintain cash reserves equivalent to 2 months' operating expenditure. This is required to guard against any major unexpected event, which could result in a reduction in income or a degree of expenditure which could not be met from the normal cash flow.

Based on the budgeted operating expenditure for 2022 the current level of reserves represents 6.7 months' (2020 – 7.1 months) of undesignated expenditure, a level which is considered to be more than satisfactory with regard to the current assessment of the risk profile for the group. Cash reserves at 31 December 2021 were in excess of the target mainly due to the reduced expenditure in the year and receipt of members subscriptions in advance.

The reserves policy was reviewed by the Finance Audit and Risk Committee in 2021 and will be reviewed again in 2022 so that the impact of the COVID situation can be considered.

Designated Funds

The Trustee Board sets aside funds for designated purposes which fall into four main categories as shown below.

- Grants: grant giving is designated separately from the General Fund. Two such funds existed in 2021
- The Patricia Fay Memorial Fund and the Zena Walker Fund
- Redistribution and allocation: -designated funds are maintained for the Fares Pool (a subscription fund) which Societies then draw on to fund travel costs associated to the main national meetings, and the Affiliation Fee fund which was funded from savings and surplus reserves. This will be used to subsidise the Affiliation Fee in 2022 (as it was in 2021)
- Development: during 2019 a designated Development Fund was created using previously received unrestricted legacies and donations to underpin the strategic priorities set by the Trustees

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Full details of the designated funds and the movements on them in the year are shown in note 2a in the financial statements.

Remuneration Policy

The Arts Society is hugely grateful for the commitment and enthusiasm of the small number of paid staff. It takes the view that it is essential to attract and retain staff with the appropriate skills and capabilities and reward them fairly for delivering the important work on behalf of our members and to benefit the Society. It is therefore important to pay staff appropriately, whilst also having prudent regard to the use of charitable resources. In order to do this, the Nominations and Remuneration Committee reviews salaries and benefits (including those of key management personnel) on a regular basis using performance evaluations and considers salaries in relation to the wider sector.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice).

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

- select suitable accounting policies and then apply them consistently;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities SORP (FRS102).

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom

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governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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

Moore Kingston Smith LLP have indicated their willingness to continue in office and, in accordance with the provision of the Companies Act. A resolution will be put to the AGM proposing that they be re-appointed auditors for the ensuing year.

The Trustees

13 April 2022

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL
ASSOCIATION OF DECORATIVE AND FINE ARTS SOCIETIES**

Opinion

We have audited the financial statements of The National Association of Decorative and Fine Arts Societies (operating as "The Arts Society" for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's 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; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 Auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our

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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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in [the strategic report or] the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, 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 group and parent 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

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liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

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- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other

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purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Date: 5 May 2022

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

		GENERAL	DESIGNATED	TOTAL	TOTAL
	Notes	2021	2021	2021	2020
		£	£	£	£
INCOME AND ENDOWMENTS					
Charitable activities					
Subscriptions and fees from members		1,050,532	240	1,050,772	1,277,418
Educational course fees and events	2	46,828	92,827	139,655	100,811
Investment Income		26,430	12,239	38,669	42,538
Donations and Legacies	2	29,523	3,943	33,466	15,320
Gift Aid		-	53,719	53,719	92,157
Other trading activities		-	-	-	-
Trading subsidiaries income	3	178,858	-	178,858	184,922
Grant income		55,322	-	55,322	32,243
Other income		25	33,586	33,611	35,579
Total Operating Income		1,387,518	196,554	1,584,073	1,780,988
EXPENDITURE					
Raising funds					
Gift Aid - Societies' administration fees	2	-	16,321	16,321	25,122
Trading subsidiaries expenditure	3	315,919	8,425	324,344	349,237
Total cost of raising funds		315,919	24,746	340,665	374,359
Charitable activities					
Education courses and events	2	-	55,484	55,484	73,681
Education	2,4	231,437	119,684	351,121	302,098
Volunteering	2,4	303,929	-	303,929	299,342
Membership Services	2,4	537,105	205,026	742,131	607,786
Total Charitable expenditure		1,072,471	380,194	1,452,665	1,282,907
Total operating expenditure		1,388,390	404,940	1,793,330	1,657,266
Net operating income / (expenditure)		(872)	(208,386)	(209,257)	123,722
Net gain / (loss) on investment assets	8	66,984	136,240	203,224	70,128
Net income / (expenditure)		66,113	(72,146)	(6,033)	193,850
Gross transfers between funds	2	(49,600)	49,600	0	-
Net movement in funds		16,513	(22,546)	(6,033)	193,850
Total funds brought forward		842,190	2,038,071	2,880,261	2,686,411
Total funds carried forward	2,13	858,703	2,015,526	2,874,228	2,880,261

There are no recognised gains or losses other than those shown above.
All activities derive from continuing operations.
The accompanying notes form part of the financial statements.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

BALANCE SHEETS

AS AT 31 DECEMBER 2021

		Group		Charity	
	Notes	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	5	771,055	789,938	771,055	789,938
Intangible assets	6	101,852	66,660	101,852	66,660
Investments	8	1,795,911	1,727,911	1,830,911	1,762,911
		2,668,818	2,584,509	2,703,818	2,619,509
Current assets					
Stock & work in progress		12,294	11,762	-	-
Debtors	7	120,983	98,288	47,630	31,443
Cash at bank and in hand		909,068	1,081,713	835,526	976,581
		1,042,345	1,191,763	883,156	1,008,024
Liabilities					
Creditors: Amounts falling due within one year	9	(836,937)	(932,384)	(754,344)	(859,884)
Net current assets / (liabilities)		205,408	259,379	128,812	148,140
Long term assets					
Debtors: Amounts due after more than one year	7	-	36,372	-	36,372
Net assets		2,874,228	2,880,261	2,832,630	2,804,021
The Funds of the Charity					
Unrestricted funds		817,105	765,950	817,105	765,950
Non-charitable trading subsidiaries	3	41,598	76,240	-	-
TOTAL GENERAL FUNDS		858,703	842,190	817,105	765,950
Designated funds	2	2,015,526	2,038,071	2,015,526	2,038,071
Total funds	13	2,874,228	2,880,261	2,832,630	2,804,021

These accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice FRS 102 Charities SORP.

The accompanying notes form part of these financial statements.

As permitted by section 408 Companies Act 2006, the company has not presented its own income statement and related notes. The Charity's surplus for the year was £20,943 (2020: £289,469)

Company registration number: 04307984

Approved by the Board on 21 March 2022 and signed on its behalf by:

Liz Woods
Chair




Anthony Strachan MBA, FCG
Treasurer

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2021

	2021	2020
	£	£
Cash flow from operating activities		
Net cash provided by operating activities	(252,191)	(5,098)
Cash flows from investing activities		
Investment income and interest received	38,669	42,538
Proceeds from disposal of fixed asset investments	135,225	320,000
Acquisition of fixed asset investments	-	(282,053)
Payments to acquire tangible and intangible fixed assets	(94,348)	(88,369)
Net (decrease) / increase in cash and cash equivalents	(172,645)	(12,982)
Cash and cash equivalents at beginning of year	1,081,714	1,094,696
Cash and cash equivalents at end of year	909,068	1,081,714
Reconciliation of net (expenditure) to net cash flow from operating activities		
	2021	2020
	£	£
Net (expenditure) / income including endowments	(6,033)	193,850
Adjustments for:		
Depreciation and amortisation charges	78,039	60,927
Net losses / (gains) on investments	(203,225)	(70,128)
Investment income	(38,669)	(42,538)
(Increase) / decrease in stock	(532)	3,212
(Increase) / decrease in debtors	(22,695)	43,255
Increase / (decrease) in creditors	(59,075)	(193,676)
Net cash provided by operating activities	(252,191)	(5,098)

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

The accounting policies remain unchanged from the previous year.

(a) COMPANY INFORMATION

The National Association of Decorative & Fine Arts Societies (operating as 'The Arts Society'), a registered charity, is a company limited by guarantee and is incorporated in England and Wales. The registered office is 8 Guilford Street, London WC1N 1DA

(b) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and therefore have prepared the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) effective from 1 January 2019, the Companies Act 2006 and the Charities Act 2011.

Consolidated financial statements have been prepared in respect of the Group, which comprises The Arts Society and its wholly owned subsidiaries, NADFAS Enterprises Limited and NADFAS Tours Limited. The results of the subsidiaries are consolidated on a line by line basis.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

- (c) The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group's forecasts and projections and have taken account of pressures on donation and investment income. The Trustees accept that there is still a degree of uncertainty, however, they have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have specifically considered the impact of the coronavirus on the business operations and concluded that the ongoing coronavirus situation does not impact the ability of the charity to continue as a going concern.

(d) INCOMING RESOURCES

Incoming resources arising during the year comprise membership subscriptions, educational course income, donations, legacies and grants, investment income, income from subsidiaries and other income.

Subscriptions, including those for affiliate membership, are included in the statement of financial activities in the period to which they relate and any subscriptions received in advance are carried forward as deferred income.

Amounts received in advance for educational courses and events are carried forward as deferred income.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(e) RESOURCES EXPENDED

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity. Those payable from the Zena Walker Fund are approved by the grants committee for the period of the related scholarship (usually three years) and are recognised equally over that period.

Charitable Activities

Costs of charitable activities include education courses and training, grants payable, volunteering and membership services and other costs directly attributable and apportionment of overhead, support and governance costs.

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned based on estimated usage. The allocation of overhead and support costs is analysed in note 5. Included within overhead and support are staff costs, administrative and general office costs and depreciation.

Governance Costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to the Annual General Meeting, statutory audit, legal fees and Trustee meeting expenses together with an apportionment of staff costs relating to the Chief Executive and Company Secretary.

Employee benefits

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee through, for example, redundancy, or to provide termination benefits.

(f) FIXED ASSETS

Fixed assets are stated at cost less depreciation; individual items costing less than £1,000 are not treated as fixed assets unless part of a "grouped asset". Depreciation is calculated to write off the cost of fixed assets over their expected useful lives as follows:

Freehold land - not depreciated

Freehold building - over two hundred years, and five years for some additions.

Furniture, fixtures and equipment - over three to five years

Intangibles (including website and CRM) - over five years

The building is maintained in a constant state of sound repair; the carrying value of the building is reviewed annually and reduced to the extent that it is considered that there has been an impairment of net book value.

(g) FIXED ASSET INVESTMENTS

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Unquoted investments in subsidiary undertakings are stated at cost less provision for any diminution in value. The ongoing coronavirus situation has made the generation of commercial income from travel affiliates problematic. The Trustees remain confident that when the travel market opens up there will be significant demand in the area.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(h) STOCKS & WORK IN PROGRESS

These are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing stocks to their present location and condition.

(i) INSURANCE

An insurance premium is collected in respect of each UK member Society and passed to the group's insurers on an agency basis and not included in the charity's own financial statements.

(j) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

(k) FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

(l) FUND ACCOUNTING

There are both restricted and unrestricted funds. Unrestricted funds are divided into general and designated funds.

General funds are available for use at the discretion of Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of Trustees for specific purposes and are listed in note 2A.

Restricted funds are grants or donations with conditions attached by the donor. They may specify that the funds are used in a specific way or for a specific purpose.

(m) PENSIONS

Contributions are made either to a group personal pension plan or to individual staff members' personal pension plans and are recognised on an accruals basis.

(n) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The Trustees in applying the accounting policies gave specific consideration to amortisation / depreciation, and whether any impairment was required relating to the investment in the subsidiaries. In the opinion of the Trustees, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2a GROUP DESIGNATED FUNDS

Designated funds comprise the Patricia Fay Memorial Fund, the Zena Walker bequest fund, the fares pool fund, the property fund, the development fund and the area funds. A summary of movements on these funds is shown below:

	Patricia Fay Memorial	Zena Walker Bequest	Fares Pool	Property	Development	Areas	Affiliation Fee	Total
	2021	2021	2021	2021	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Incoming resources								
Incoming resources from generated funds								
Voluntary Income								
Subscriptions and fees from members	-	-	-	-	-	240	-	240
Gift Aid	53,719	-	-	-	-	-	-	53,719
Donations legacies and similar income	-	-	-	-	-	3,943	-	3,943
Educational course fees and events	-	-	-	-	-	92,827	-	92,827
Activities for generating funds								
Other income	-	-	-	-	-	33,586	-	33,586
Investment income								
Bank interest	3,685	-	-	-	-	2	-	3,687
Investment income	7,552	1,000	-	-	-	-	-	8,552
Total Incoming resources	64,956	1,000	-	-	-	130,598	-	196,554
Resources expended								
Costs of generated funds								
Costs of generating voluntary income								
Gift Aid - Societies' administration fees	16,321	-	-	-	-	-	-	16,321
Education courses and events	-	-	-	-	-	55,484	-	55,484
Charitable activities								
Education grants	119,684	-	-	-	-	-	-	119,684
Volunteering grants	-	-	-	-	-	-	-	-
Area awards	-	-	-	-	-	35,177	-	35,177
Commercial subsidiary	-	-	-	-	8,425	-	-	8,425
Membership services general	10,828	-	52,695	3,930	52,580	49,817	-	169,849
Total resources expended	146,833	-	52,695	3,930	61,005	140,478	-	404,940
Net income / (expenditure) before transfers	(81,876)	1,000	(52,695)	(3,930)	(61,005)	(9,880)	0	(208,386)
Transfers								
Gross transfers between funds								
Development Fund	-	-	-	-	50,600	-	-	50,600
Affiliation Fee	-	-	-	-	-	-	(1,000)	(1,000)
Net incoming resources before other recognised gains and losses	(81,876)	1,000	(52,695)	(3,930)	(10,405)	(9,880)	(1,000)	(158,786)
Other recognised gains								
Net gains on investment assets	115,451	20,789	-	-	-	-	-	136,240
Net movement in funds	33,575	21,789	(52,695)	(3,930)	(10,405)	(9,880)	(1,000)	(22,546)
Funds brought forward	684,878	181,240	52,695	709,283	36,395	246,580	127,000	2,038,071
Funds carried forward	718,453	203,029	-	705,353	25,990	236,700	126,000	2,015,526

Designated funds are amounts that have been set aside at the discretion of Trustees and comprise:

i) Patricia Fay Memorial Fund

This fund, established in 1981, is administered by the Trustees. The main purposes of the fund are to provide grants, and also to fund developmental and strategic activities. The fund gains its income from investment returns, gift aid, donations and legacies.

ii) The Zena Walker bequest fund

This fund derives from a bequest of £120,790 from Mrs Zena Walker and income generated is to be used for an annual scholarship which is administered by the Trustees. The capital of the fund is intended to remain and generate sufficient income to fund this annual scholarship.

iii) Fares Pool fund

The Fares Pool was frozen in 2021. The balance will be reimbursed to all Societies in 2022.

v) Property Fund

This designation represents the extent to which funds are invested in the property for the use by the Charity and are therefore not available for other purposes, and is intended to continue for the foreseeable future.

vii) Development Fund

The Development fund was established in 2019 to support the strategic development of the organisation. This encompasses several ongoing initiatives aimed at "better supporting Societies" and "better supporting the Arts".

viii) Area Funds

This designation represents The Arts Society funds for which administration responsibility is delegated by the Trustees to Area Committees. The designation will continue for the foreseeable future.

viii) Affiliation Fee

The fund was created in 2020 to reduce the share of costs recharged to Societies.

Comparative figures for each fund can be found in Note 2b.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2b GROUP DESIGNATED FUNDS

	Patricia Fay Memorial	Zena Walker Bequest	Fares Pool	Property	Development	Areas	Affiliation Fee	Total
	2020	2020	2020	2020	2020	2020	2020	2020
	£	£	£	£	£	£	£	£
Incoming resources								
Incoming resources from generated funds								
Voluntary income								
Subscriptions and fees from members	-	-	52,220	-	-	21,125	-	73,345
Gift Aid	92,157	-	-	-	-	-	-	92,157
Donations legacies and similar income	969	-	-	-	-	5,580	-	6,549
Educational course fees and events	-	-	-	-	-	100,811	-	100,811
Activities for generating funds								
Other income	-	-	-	-	-	2,341	-	2,341
Investment income								
Bank interest	3,827	-	-	-	-	126	-	3,953
Investment income	7,489	1,464	-	-	-	-	-	8,953
Total incoming resources	104,442	1,464	52,220	-	-	129,983	-	288,109
Resources expended								
Costs of generated funds								
Costs of generating voluntary income								
Gift Aid - Societies' administration fees	25,122	-	-	-	-	-	-	25,122
Education courses and events	-	-	-	-	-	73,681	-	73,681
Charitable activities								
Education grants	-	3,000	-	-	-	48,968	-	51,968
Volunteering grants	24,040	-	-	-	-	-	-	24,040
Membership services grants	-	-	-	-	-	-	-	-
Commercial subsidiary	-	-	-	-	32,000	-	-	32,000
Membership services general	10,511	-	1,398	8,970	31,442	27,065	-	79,386
Total resources expended	59,673	3,000	1,398	8,970	63,442	149,744	-	286,227
Net Income / (expenditure) before transfers	44,769	(1,536)	50,822	(8,970)	(63,442)	(19,761)	-	1,882
Transfers								
Gross transfers between funds								
Development Fund	(62,000)	-	-	-	62,000	-	-	-
Affiliation Fee	-	-	-	-	-	-	127,000	127,000
Net incoming resources before other recognised gains and losses	(17,231)	(1,536)	50,822	(8,970)	(1,442)	(19,761)	127,000	128,882
Other recognised (losses) / gains								
Net gains on investment assets	62,722	9,304	-	-	-	-	-	72,026
Net movement in funds	45,491	7,768	50,822	(8,970)	(1,442)	(19,761)	127,000	200,908
Funds brought forward	639,387	173,472	1,873	719,253	37,837	266,341	-	1,837,163
Funds carried forward	684,878	181,240	52,695	709,283	36,395.00	246,580	127,000	2,038,071

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3

NET INCOME FROM TRADING SUBSIDIARIES

The Arts Society owns the entire issued share capital of two trading companies which are registered at the same address as The Arts Society. NADFAS Enterprises Limited ('NEL') publishes the magazine, online content and retails a small number of products. NADFAS Tours Limited ('Tours') generates income from commission paid by commercial partners. These two companies were established primarily to enhance the educational and promotional activities of The Arts Society and to generate funds essential to the long term growth of the organisation, and accordingly both companies usually donate their taxable profits to The Arts Society under Gift Aid.

The income and expenditure of the trading subsidiaries is disclosed separately in the Consolidated Statement of Financial Activities. Their audited financial statements are summarised below.

	NADFAS Enterprises Ltd		NADFAS Tours Ltd		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Turnover	365,363	419,797	28,382	33,907	393,745	453,704
Cost of sales	(301,301)	(336,551)	-	-	(301,301)	(336,551)
Gross profit	64,062	83,246	28,382	33,907	92,444	117,153
Administration Expenses	(63,996)	(50,048)	(19,133)	(23,163)	(83,129)	(73,211)
Other income	5	20	-	-	5	20
Profit / (Loss) before taxation	71	33,218	9,249	10,744	9,320	43,962
Taxation	-	-	-	-	-	-
Profit / (Loss) after taxation	71	33,218	9,249	10,744	9,320	43,962
Retained profit brought forward	65,496	80,013	10,744	91,845	76,240	171,858
Gift aid distribution	(33,218)	(47,735)	(10,744)	(91,845)	(43,962)	(139,580)
Profit retained carried forward	32,349	65,496	9,249	10,744	41,598	76,240
Capital and Reserves						
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
Profit and Loss Account	32,349	65,496	9,249	10,744	41,598	76,240
Shareholders' Funds	37,349	70,496	39,249	40,744	76,598	111,240

Turnover of NEL (Company no 1923665) in 2021 includes £214,891 (2020 - £268,802) charged to The Arts Society for the publication of the magazine which is eliminated on consolidation.

Administration costs include apportioned charges paid by The Arts Society on behalf of NEL of £44,638 (2020 - £40,850) and of Tours of £15,447 (2020 - £19,675).

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

	Group General	Group General
	2021	2020
	£	£
Salaries		
Pension contributions	541,214	571,842
Social Security costs	51,589	50,225
	<u>50,779</u>	<u>61,001</u>
	<u>643,581</u>	<u>683,068</u>

The number of employees whose emoluments (salaries and benefits in kind) fell within the following bands:

	2021 Number	2020 Number
£70,000 - £79,999	1	1
£90,000 - £99,999	1	1

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 2 (2020: 2). These pension contributions totalled £16,436 (2020: £15,957)

b) STAFF NUMBERS

The average number of staff employed was 12 (2020: 13) and the average number of full-time equivalent employees (including casual and part time staff) during the period was as follows:

	2021 Number	2020 Number
Education	1	1
Volunteering	3	3
Membership Services	<u>8</u>	<u>9</u>
	<u>12</u>	<u>13</u>

c) TRUSTEES AND KEY MANAGEMENT PERSONNEL

A total of £8,190 (2020: £3,828) was reimbursed to 10 (2020 - 8) Trustees in the year for travel and other incidental expenses.

None of the Trustees who served during the period received any remuneration for their services (2020: £Nil)

Key management personnel include the Trustees, Chief Executive, Finance & Resources Director and Company Secretary. Total remuneration was £214,326 (2020: £203,627)

d) PENSIONS

Contributions (on a defined contribution basis) are made either to a group personal pension plan or to individual staff members' personal pension plans at a rate in line with current auto enrolment legislation. The total pension costs paid during the year (and comparatives) are disclosed in note 5a.

e) AUDITORS' FEES

	Group 2021 £	Group 2020 £
Audit		
Areas	20,107	18,775
Taxation services	1,008	942
	<u>2,215</u>	<u>2,070</u>

f) DEPRECIATION

Depreciation on owned assets	<u>78,039</u>	<u>51,957</u>
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g) ANALYSIS OF GRANTS AWARDED IN THE YEAR

	Number 2021	Number 2020	Group 2021 £	Group 2020 £
Designated Funds				
Education grants	288	41	119,684	48,998
Volunteering grants	0	15		27,040
Membership services grants	0	0		-
General Funds				
Volunteering grants	31	25	4,676	3,037
Governance and membership grants	0	2	-	535
	<u>319</u>	<u>83</u>	<u>124,360</u>	<u>79,610</u>

4 RESOURCES EXPENDED (continued)

h) ALLOCATION OF SUPPORT COSTS AND OVERHEADS

The allocation of support costs and overheads and how these were allocated between Governance and Charitable Activities is shown in the table below:

2021	Education	Volunteering	Membership Services	Governance	Total
	£	£	£	£	£
Costs directly allocated to activities					
Staff Costs	84,536	156,216	249,967	42,020	532,738
Staff and Volunteering expenses	45,436	6,499	1,492	18,118	71,545
Grants	-	4,676	-	-	4,676
Publicity and events costs	81	105	504	-	690
Legal and Professional fees (inc Audit fees)	-	-	-	81,991	81,991
Support costs directly allocated	-	3,363	11,248	15,131	29,742
Directly allocated Total	130,053	170,859	263,211	157,259	721,383
Support costs apportioned to activities by usage					
Staff Costs	29,708	39,030	60,126	-	128,865
Staff and Volunteer expenses	131	172	265	-	568
Information Technology	12,983	17,057	26,276	-	56,315
General Office	1,973	2,592	3,992	-	8,557
Premises	11,905	15,640	24,094	-	51,639
Stationery, Printing, Postage and Telephone	7,155	9,400	14,481	-	31,036
Depreciation	17,085	22,446	34,578	-	74,109
Governance costs allocated to activities	20,444	26,734	110,082	(157,259)	-
Support costs total	101,384	133,070	273,894	(157,259)	351,088
Resources Expended Total	231,437	303,929	537,105	-	1,072,471

2020	Education	Volunteering	Membership Services	Governance	Total
	£	£	£	£	£
Costs directly allocated to activities					
Staff Costs	88,877	160,566	251,639	37,313	538,395
Staff and Volunteering expenses	44,366	6,999	13,069	7,611	72,045
Grants	-	3,037	535	-	3,572
Publicity and events costs	-	4,854	9,069	5,891	19,814
Legal and Professional fees (inc Audit fees)	-	-	-	25,094	25,094
Support costs directly allocated	44	1,148	16,840	7,238	25,270
Directly allocated Total	133,287	176,604	291,152	83,147	684,190
Support costs apportioned to activities by usage					
Staff Costs	36,335	48,144	79,371	-	163,850
Staff and Volunteer expenses	863	1,144	1,886	-	3,893
Information Technology	12,141	16,086	26,519	-	54,746
General Office	1,424	1,887	3,111	-	6,422
Premises	12,502	16,565	27,309	-	56,376
Stationery, Printing, Postage and Telephone	7,178	9,511	15,680	-	32,369
Depreciation	11,521	15,266	25,169	-	51,956
Governance costs allocated to activities	10,809	14,135	58,203	(83,147)	-
Support costs total	92,773	122,738	237,248	(83,147)	369,612
Resources Expended Total	226,060	299,342	528,400	-	1,053,802

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 TANGIBLE FIXED ASSETS

	Group & Charity Freehold Property	Group & Charity Furniture, Fixtures & Equipment	Total
	£	£	£
Cost			
As at 1 January	809,104	147,142	956,246
Additions in the period	15,720	6,667	22,387
Disposals in the period	-	-	-
As at 31 December	<u>824,824</u>	<u>153,809</u>	<u>978,633</u>
Depreciation			
As at 1 January	74,621	91,687	166,308
Charge for period	12,114	29,156	41,270
Depreciation written back on disposals	-	-	-
As at 31 December	<u>86,735</u>	<u>120,843</u>	<u>207,578</u>
Net Book Value			
31 December 2021	<u>738,089</u>	<u>32,966</u>	<u>771,055</u>
31 December 2020	<u>734,483</u>	<u>55,455</u>	<u>789,938</u>

6 INTANGIBLE FIXED ASSETS

	Website £
Cost	
As at 1 January	111,883
Additions in the period	71,961
As at 31 December	<u>183,844</u>
Amortisation	
As at 1 January	45,224
Charge for period	36,769
As at 31 December	<u>81,993</u>
Net Book Value	
31 December 2021	<u>101,851</u>
31 December 2020	<u>66,659</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 DEBTORS

Amounts falling due in one year:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	50,642	76,128	1,512	9,283
Amount due from group undertaking	-	-	1,538	-
Other debtors	-	10,714	-	10,714
Prepayments & accrued income	70,341	11,446	44,580	11,446
	<u>120,983</u>	<u>98,288</u>	<u>47,630</u>	<u>31,443</u>

Amounts falling due after more than one year:

Prepayments & accrued income

-	36,372	-	36,372
-	<u>36,372</u>	-	<u>36,372</u>
<u>120,983</u>	<u>134,660</u>	<u>47,630</u>	<u>67,815</u>

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Unrestricted Funds				
<u>Unlisted investment - at cost</u>				
Subsidiary companies:				
- NADFAS Enterprises Ltd	-	-	5,000	5,000
- NADFAS Tours Ltd	-	-	30,000	30,000
<u>Listed Investments - at market value</u>				
Rathbone Brothers Plc managed portfolio	1,123,334	1,070,046	1,123,334	1,070,046
<u>Equity Units/Shares:</u>				
CCLA COIF income units	672,577	657,865	672,577	657,865
	<u>1,795,911</u>	<u>1,727,911</u>	<u>1,830,911</u>	<u>1,762,911</u>

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Reconciliation of movement in investments:				
As at 1 January				
Additions	1,727,911	1,695,730	1,762,911	1,730,730
Disposal proceeds	-	282,053	-	282,053
Net gains / (losses) on investments	(135,225)	(320,000)	(135,225)	(320,000)
Market value at 31 December	203,225	70,128	203,225	70,128
	<u>1,795,911</u>	<u>1,727,911</u>	<u>1,830,911</u>	<u>1,762,911</u>
Historical cost				
	<u>1,390,915</u>	<u>1,463,185</u>	<u>1,425,915</u>	<u>1,498,185</u>
Reconciliation of movement in unrealised gains/losses in investments, excluding subsidiaries:				
Unrealised gains at 1 January				
	264,726	267,014	264,726	267,014
Elimination of unrealised gains on disposals	(4,029)	(18,469)	(4,029)	(18,469)
Net increase arising on revaluations in the period	144,299	16,181	144,299	16,181
Unrealised gain as at 31 December	<u>404,996</u>	<u>264,726</u>	<u>404,996</u>	<u>264,726</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 CREDITORS: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
General Funds:				
Trade creditors	5,333	13,797	5,333	4,899
Other creditors	-	1,039	-	1,039
Other taxes and social security costs	34,782	38,401	15,485	14,555
Accruals	48,704	42,020	39,143	42,020
Deferred income	169,043	269,038	115,308	229,282
Designated Funds:				
Loans - Patricia Fay Memorial Fund	531,420	548,420	531,420	548,420
Accruals	47,655	4,631	47,655	4,631
Deferred Income	-	15,038	-	15,038
	<u>836,937</u>	<u>932,384</u>	<u>754,344</u>	<u>859,884</u>

Charity deferred income for the General Fund at 31 December 2021 includes affiliation fees and insurance charges of £115,308 (2020 - £229,282) received in advance. Group deferred income in addition includes lecturers subscriptions of £49,145 (2020 - £39,756).

Loans to the Patricia Fay Memorial Fund from Societies are interest free, repayable on demand and guaranteed by The Arts Society.

10 DEFERRED INCOME

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
As at 1 January	284,076	373,700	244,320	327,609
Amounts deferred during the period	169,043	284,076	115,308	244,320
Amounts released during the period	(284,076)	(373,700)	(244,320)	(327,609)
Balances carried forward as at 31 December	<u>169,043</u>	<u>284,076</u>	<u>115,308</u>	<u>244,320</u>

11 RELATED PARTY TRANSACTIONS

NEL charged The Arts Society £214,891 (2020: £268,802) for the production of the magazine. Staff costs totalling £44,638 (2020: £40,850) were recharged to NEL, and £15,447 (2020: £19,675) to Tours.

The group made purchases totalling £19,625 (2020: £4,153) from Hewitsons where one Trustee is a Partner.

12 ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General	Designated	Total
	2021	2021	2021
	£	£	£
Tangible fixed assets	32,966	738,089	771,055
Intangible fixed assets	101,852	-	101,852
Investments	573,432	1,222,479	1,795,911
Current assets	408,312	634,033	1,042,345
Creditors: amounts falling due within one year	(257,862)	(579,075)	(836,937)
TOTAL NET ASSETS	858,703	2,015,526	2,874,228

	General	Designated	Total
	2020	2020	2020
	£	£	£
Tangible fixed assets	55,456	734,483	789,939
Intangible fixed assets	66,660	-	66,660
Investments	641,671	1,086,240	1,727,911
Current assets	406,326	785,437	1,191,763
Creditors: amounts falling due within one year	(364,295)	(568,089)	(932,384)
Long term assets	36,372	0	36,372
TOTAL NET ASSETS	842,190	2,038,071	2,880,261

14 CAPITAL COMMITMENTS

There were no contractual obligations at 31 December 2021.