

Engage

Bringing people
and art together

**National Association for Gallery Education
operating as
Engage**

(A company limited by guarantee and not having a share capital)

**Charity No. 1087471
Company No. 4194208
OSCR No. SCO39719**

**REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2021**

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Directors and Trustees

The Trustees (who are the Directors for the purposes of Company Law) throughout the year and at the date of signing the accounts were:

Camilla Johns		
Priya Khanchandani		Resigned May 2021
Andrew Lawson		
Shân MacLennan	Chair	Resigned May 2021
Habib Motani	Vice-Chair	Term completed as trustee January 2021
Julian Nettel		
Janie Nicoll		
Loveday Shewell	Treasurer	
Emma Smale		
Sarah Campbell		Vice Chair
Bethan Page		
Natalie Walton		
Rosalind Croker		
Debi Banerjee		
David Tubman		Appointed January 2021
Angharad Palin		Appointed January 2021
Damien McGlynn		Appointed January 2021
Ffion Rhys		Appointed January 2021
Chief Executive	Jane Sillis	

Reference and Administrative Details

Name and Registration

The National Association for Gallery Education, operating as Engage, is a registered charity in England and Wales (1087471) and Scotland (OSCR No. SC039719) and a UK company limited by guarantee (4194208) registered in England and Wales.

Registered Office & Principal Place of Business

70 Cowcross Street, London, EC1M 6EJ

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Advisors

Independent examiner Joanna Pittman
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Bankers CAF Bank Ltd
Kings Hill
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1.0 INTRODUCTION: Our approach to 2020/21

2020/21 was an exceptional year for Engage and the visual arts sector we support. With the impacts of Covid-19 stretching across the full year of delivery, our programme, operation, and financial position have shifted to respond to a radically new context.

A pre-Covid-19 planned organisational restructure was undertaken early in the financial year to increase our in-house skill-sets in creative programming and income generation – supporting our resilience and enhancing the quality of activities and services we provide our members and the sector. Our restructure has laid the foundation of a more flexible and agile organisation with the skills needed to originate an ambitious and newly relevant programme of activities.

With gallery closures and new public health restrictions forcing the visual arts sector to re-invent engagement approaches, meet intensified community need, and rapidly upskill in a range of new technological tools, Engage's activities pivoted to fully support sector response and recovery from Covid-19. We worked with the sector to identify primary needs, informing a programme that focused on key areas including advocacy, training, micro-grants, and supporting sector connection. Children's Art Week reached a record number of participants, with 87,000 people engaging with visual arts participation and learning resources online over an extended three-week period. We also worked closely with a network of UK-wide partners to develop Covid-19 responsive resources which were shared with organisations across the country. Other important initiatives were delivered by Engage Cymru, including a timely project that gave support to young asylum seekers; and Engage Scotland, who led a sector-wide initiative to raise awareness of Disabled artists and increase access to the arts for visually impaired audiences.

2020/21 was also an important moment of internal reflection, realignment, and re-visioning for Engage. Galvanised by the sector-wide need to rethink – in response to a global context of Covid-19, the Climate Crisis and Black Lives Matter, as well as the new *Let's Create* strategy released by our principal funder, Arts Council England – we closely evaluated our 2020/21 programme and undertook a series of reviews on our programme, membership, resources, and financial model, to inform our future plans. A new 'Theory of Change' is guiding this vision. Developed in consultation with our members and the wider sector, it articulates our vision as: 'Everyone has the opportunity to engage with visual art in ways that enrich their lives'. Five new priority objectives: 'train workforce', 'diversify workforce', 'increase profile and visibility of members' practice', 'provide opportunity for members to debate and shape practice', and 'lead sector advocacy' have been developed as our framework to deliver this.

As we enter 2021/22, the tools, data, and structures that have been developed in 2020/21 will launch a key transition in Engage's organisational strategy. With a refreshed team, programme, and vision, our role in supporting the sector to lead workforce innovation and cutting-edge practice for engagement and participation in the visual arts will be evolved, embedded, and made resilient for the future.

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2.0 MISSION, VISION & VALUES

2.1 Mission

Engage is the lead advocacy and training network for gallery education.

2.2 Vision

We support arts educators, organisations, and artists to work together with communities in dynamic, open exchanges that give everyone the opportunity to learn and benefit from the arts.

Values

- Community
- Leadership
- Inclusiveness

As part of the 2021/22 forward vision, Engage is rewriting its mission and vision to reflect and embrace its changed focus.

3.0 OBJECTIVES & ACTIVITIES

3.1 Objectives

Engage's objectives as set out in our memorandum and articles are to:

- Promote and advance education, especially visual arts education, for the public benefit, in particular through the provision of training and workshop facilities in gallery education.
- Undertake, promote, or assist in promoting research into all aspects of gallery education and to disseminate the useful results of such research for the benefit of the public.

Engage aims to:

- Increase public access to the visual arts and improve the quality of that provision.
- Strengthen, support, and advance the visual arts engagement and participation workforce.
- Promote diversity and inclusion within the visual arts engagement and participation workforce.
- Strengthen its position as the principal agency for visual arts engagement and participation in the UK and internationally.
- Create a secure, stable, and robust organisation that is fit for purpose.

Progress is measured using a number of objectives covering several areas of the charitable work of Engage, described under activities below, and measures relating to governance and management, financial resilience and environmental sustainability.

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3.2 Activities

In service of the aims stated above, Engage undertakes a range of activities that for 2020/21 are grouped under four main headings: Advocacy; Dissemination; Professional Development & Leadership; Research; and Programme.

Sector support in the Covid-19 affected period has been more important than ever, with Engage members – and the sector more widely – operating in new territory. With venues closed across the country, the sector was forced to rapidly adapt activities to meet new safety restrictions. Professionals needed to quickly become skilled in new ways of working through online and other socially distanced methods of engagement.

The sector was also facing substantially intensified and shifted needs from the communities they serve. With schools, community spaces, and other frontline services also undergoing temporary periods of closure, the culture sector strived to do what it could to help communities stay resilient. This was particularly challenging when reach to those not already engaged in cultural programmes was restricted due to venue closures.

With inequalities across the globe exacerbated by the impacts of Covid-19, this has also been a period in which we have been called upon as individuals, organisations, and as a sector to acknowledge, understand and do better in addressing the structural inequalities that continue to persist between and within communities today. The Black Lives Matter movement in particular has brought issues of racial inequalities to the forefront of public conversation. This is an important issue for the visual arts and culture sector in particular, which has traditionally struggled to ensure diversity is promoted through workforce, programme, and audience. Other globally pressing issues such as the Climate Crisis have also been essential to address in this period.

Our 2020/21 programme fully adapted to meet this context and support sector recovery from Covid-19. We worked with the sector to identify primary needs and developed a new programme in response.

3.2.1 Advocacy: assertively making the case to stakeholders and funders for the role of visual arts engagement and participation, and the resources needed to deliver it.

Engage's advocacy work in 2020/21 became crucial in promoting the importance of the arts during and beyond Covid-19. Across England, Scotland and Wales, we advocated for participation and engagement in the arts, support for cultural organisations and the workforce, and supported the sector to make this case.

We advocated on the impact of Covid-19 to the UK Government, contributed to guidance on Covid-19-secure work, and worked with the Museums Association and Group for Education in Museums (GEM) on resources and programme to platform a newly relevant case that connected participation and engagement colleagues in the visual arts and heritage. We also worked with GEM to facilitate cross-sector discussions on tackling racism.

We contributed to debates via the All-Party Parliamentary Group on Art, Craft and Design Education; the All-Party Parliamentary Group for Museums; Arts in Education Recovery Group; the Wales Arts

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Health and Wellbeing Network; and the Cross-Party Group on Arts and Health. We also contributed to round-table discussions convened by Arts Council England, the Art Fund, the Clore Duffield Foundation and the Cultural Learning Alliance.

Engage is an active member of #ArtsEssential, What Next? and Art Works Alliance. Engage Scotland works with Scottish Artists Union and Scottish Contemporary Art Network and Engage Cymru joined the Arts & Business Cymru steering panel.

3.2.2 Dissemination: sharing visual arts engagement and participation within and beyond the cultural sector in the UK and internationally.

The sector responded creatively to the challenges of the pandemic. Engage worked to nurture and share this practice across the sector.

18 case studies were shared on topics such as arts and dementia, engaging remotely, Covid-19-secure practice, and young people as co-producers. Three research projects from the 2019/20 Extend leadership programme were also shared. We gave free access to the Engage Journal for individual members of the public until July 2020 to *Engage 44: Biennales and Beyond* (published in April 2020). *Engage 45: Class and Inequality* was published in June 2021, with new online events to accompany the launch curated by the Journal Editor.

Engage, Engage Cymru and Engage Scotland made presentations across the UK for the National Association for Writers in Education, the Museums Association, Scottish Contemporary Arts Network, Museums Galleries Scotland and UK-wide arts and health events. Engage contributed to an article to the National Society for Education in Art and Design's *AD Magazine*.

Membership numbers at March 2021 are estimated at 691, compared with 774 in March 2020. A decrease in membership during 2020/21 was anticipated as a consequence of Covid-19 and financial impacts on the sector. In this context, membership numbers and income were higher than anticipated.

Twitter followers increased by 5% between 31 March 2020 and 31 March 2021, from 11,800 to 12,414. In 2020/21, resources on the website were viewed by 19,440 users.

3.2.3 Professional Development & Leadership: providing support for the visual arts engagement and participation workforce and for colleagues in related areas at all levels of experience.

Engage increased its reach in Continued Professional Development activities across the UK, engaging 1,366 colleagues in 2020/21. Sessions moved online, took a vocational focus and addressed the current concerns of the sector, with evaluation demonstrating increased accessibility through an online format. 16 training sessions, on topics as broad as mental wellbeing, arts and dementia, responding to the climate emergency and working online were supported by Arts Council England and Paul Hamlyn Foundation, and reached 249 UK participants from January to March 2021. 19 training and networking sessions, on safeguarding, creative facilitation and supporting artists' creative practice were delivered by Engage Scotland, for 362 participants. 15 networking and training sessions on arts and health training were delivered by Engage Cymru for 500 participants.

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Our Extend leadership programme was delivered online from October 2020 to March 2021 to 30 colleagues from England, Scotland and Wales. The online format again demonstrated benefits for access, while maintaining strong satisfaction levels. This learning is informing planning for future iterations in 2022/23.

11 area group sessions took place online, initiated by members, and explored themes including how to combat racism; digital technology; and research. These activities enabled sector connection and access to professional development through the pandemic.

Excellent practice was acknowledged through the annual Marsh Awards, with eight awards from across the UK and internationally. An additional award was made in 2021 to acknowledge the exceptional standard of nominations and the sector's response to the pandemic. Winners represented work at iniva, The Turnpike, Grundy Art Gallery, Thelma Hulbert Gallery, Making Sense CIC, Keighley Creative, Tate Liverpool and The Australian Centre for Contemporary Art.

One winner commented:

'It has meant such a great deal to be connected with Engage whilst at iniva and to have had my work recognised through the Marsh Award. It has really shifted how I think about my work, the value I allow myself to place on it and my ambition to build on this going forward.'

The Engage international conference did not take place due to the pandemic and was replaced by training and networking events delivered jointly by Engage, Engage Scotland and Engage Cymru.

3.2.4 Research and Programme: supporting the innovative development of visual arts practice through work with the visual arts sector across the UK and internationally.

Alexandra Reinhardt Memorial Award

Artist Beth Shapeero was the Alexandra Reinhardt Memorial Award winner for 2020/21, selected to develop new work with young people with experience of care for The Tetley, Leeds. The programme was deferred and a new participant group selected as a result of Covid-19. Shapeero will work with young people in higher education and the outcome will now be presented in 2021/22.

MaxLiteracy

Awards for creative writing with young people responding to the visual arts were made to Open Eye Gallery, The Turnpike, and Newark & Sherwood District Council. Due to Covid-19 activity is deferred to 2021/22.

Children's Art Week

In 2020, Children's Art Week (CAW) adapted to support cultural organisations to connect to children and young people through Covid-19. Taking place between 29 June and 19 July, the project created a connection point between audiences and venues, generating the largest ever engagement numbers in the programme's over-10-year history. In total 86,939 participants engaged in over 200 events. Extended over three thematic weeks, CAW worked with 139 cultural venues, schools and

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community groups across England, Scotland and Wales, to adapt activities. Resources, micro-grants, PR, and logistical support were made available. 99% of events were delivered online, with 6% also including some form of in-person engagement.

Micro-Grants

Support from the Paul Hamlyn Foundation enabled 20 grants of £500 to £1,000 to support artists, freelancers and organisations to test new ways of working, pilot practices and share new resources. Case studies have been published which and demonstrate innovative adaption to Covid-19 and the creative evolution of practice.

Engage Cymru

Engage Cymru delivered a programme online with Ty Pawb, with 14 young Syrian asylum seekers in Wrexham accredited through Arts Award. The programme was delivered in partnership with the North-West Wales Community Cohesion Team.

Support from the Wales Arts Health and Wellbeing Network was received via Wales Art International for artists and arts organisations in Ireland and Wales to collaborate on arts and health work. Engage Cymru are partners with Nesta on the Y Lab HARP (Health, Arts, Research, People) programme supported by Arts Council of Wales, and delivered training and networking on arts and health.

Engage Scotland

Engage Scotland worked with consultant Kirin Saeed and the National Galleries of Scotland to make activities accessible to blind and partially sighted audiences. In partnership with Collective, they worked with disabled artists to increase the profile of disabled practitioners in Scotland. Other 2020/21 activities include securing support and planning for: a youth arts initiative with associated training; and a research project mapping contemporary art and design education in Scottish schools.

3.3 Impact of Covid-19

Covid-19 had a significant impact on Engage and the sector that it supports. Our financial position was substantially affected in the short-term, with our ability to run income-generating activities – such as the annual conference – significantly constrained, diverting much more of our core funding to support necessary organisational costs. We were also forced to cancel major funded programmes such as Generation ART and had limited alternative fundraising opportunities due to fund closures and reallocations.

Engage received vital emergency funds from Arts Council England, Cultural Recovery Programme (total grant of £50,000 with £40,981 utilized in 2020/21), ACE Emergency funds (£14,049), Paul Hamlyn Foundation (total grant £28,500, with £21,356 utilized in 2020/21) and London Borough of Tower Hamlets business tax relief (£2,000). Garfield Weston Foundation allowed us to repurpose £25,000 of restricted funds to unrestricted activity, to allow Children's Art Week to happen. This additional funding critically supported our survival in this period, enabling us to deliver on our mission during this exceptional time and adapt a programme of activities capable of supporting the sector to meet the new needs of communities and public health restrictions.

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From May to September 2020, some members of the team were on furlough leave as part of the Government's Coronavirus Job Retention Scheme. The total amount of staff costs recovered through the furlough scheme was £11,274. The London team worked remotely and returned to the office between lockdowns, adopting Covid-19 secure practices.

4.0 PUBLIC BENEFIT

The Charity Commission's general guidance ('Public Benefit: Rules for Charities' issued in February 2014 and 'Public Benefit: PB1, PB2, and PB3', issued in September 2013) on Public Benefit informs all reviews of Engage's aims and objectives carried out by the Board, and the planning of future activities.

- Engage aims to enhance the experience of audiences engaging with the visual arts in person or remotely. A large proportion of the institutions that Engage works with offer free or concessionary access to in-person and digital activities.
- Engage is a membership organisation, with members throughout the UK and internationally. Engage works with and through its membership to achieve its aims: the specific benefit provided to members in the form of professional support is central to the achievement of Engage's mission of promoting and enhancing engagement and participation in the visual arts for the benefit of all.
- Membership is open to all adults but is primarily for organisations and professionals working in visual arts engagement and participation to enjoy specific specialised resources to support them in their work with the general public.
- Fees for Engage membership are kept low in order that they are not restrictive, particularly for individual members.

5.0 IMPACT

We survey members annually to evaluate Engage's impact. In January 2021, 100% of members reported that our advocacy and campaigning work is important to them. 100% of participants in Engage's 2021 spring training reported that taking part had enhanced their skills and 71% that it had supported their career progression.

When asked what the benefits are of being a member of Engage, colleagues commented it is:

'Important feeling that I am part of a movement for change'

and

'I owe so much to Engage for the amazing training and personal development opportunities'

Engage supports its members' work with those who are most vulnerable, for example, through Engage Cymru's work with young asylum seekers and the Wales Arts Health and Wellbeing Network; and Engage Scotland's work supporting the profile of disabled artists in Scotland, and supporting access for blind and partially sighted audiences to visual art galleries.

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6.0 FUNDRAISING

Covid-19 had an immediate impact on fundraising, with applications to trusts and foundations and to statutory arts organisations stalled and many funds being closed for applications for extended periods.

Engage was very fortunate to receive regular funding from Arts Council England, the Arts Council of Wales and Creative Scotland. We were also generously supported by other grant-giving organisations for specific projects, the Max Reinhardt Charitable Trust, the Marsh Christian Trust and D'Oyly Carte Charitable Trust. Engage Cymru received funding from Wales & West Housing Association, Arts & Business Cymru and the Community Cohesion Fund.

We received emergency grants from the Paul Hamlyn Foundation, Garfield Weston Foundation, London Borough of Tower Hamlets, Arts Council England Emergency Funds and the Arts Council England's Cultural Recovery Fund.

Engage had previously been aiming to diversify income streams. During 2020/21 the priority was to stabilise the organisation and support the sector. Income from the Arts Council England NPO core grant (£234,034) represented 47% of total income received for 2020/21.

7.0 FUTURE PLANS

Since late 2020, Engage has been working in collaboration with the visual arts sector to review our processes and activities, and to reformulate a future programme that is responsive to the needs and demands of organisations, practitioners, and the communities that they serve, today. We have also taken as our guide the opportunities generated through Arts Council England's (ACE) *Let's Create* strategy, which Engage has significant potential to support, both through its own activities and through mobilising and upskilling the sector to deliver on this vision.

We reflected and responded to the views given through this wide consultation process, informing a new Theory of Change which articulates the long-term and intermediate aims that underpin our future activities. This was led by our vision that 'Everyone has the opportunity to engage with visual art in ways that enrich their lives'.

As an ACE Sector Support Organisation (SSO) and informed by our Theory of Change, Engage will work with members and the wider creative sector to develop a programme for 2021/22 that focuses across the five priority areas ('train workforce', 'diversify workforce', 'increase profile and visibility of members' practice', 'provide opportunity for members to debate and shape practice', and 'lead sector advocacy'). These areas are delivered by Engage, with Engage Cymru and Engage Scotland.

Train workforce: Engage will ensure that the visual arts engagement and participation workforce has the skills and vision to respond to a rapidly changing external environment and new user demands. We want to support the workforce to thrive, with accessible routes to entry, progression, and leadership. We will: deliver online training themed on arts, health and wellbeing, diversity and inclusivity, and participatory tools and practice for visual arts engagement; deliver anti-racism workshops for Engage Council; contribute to delivery of FE and HE academic programmes; and reactivate online content as a key area of provision. We will review the Extend leadership programme, relaunching it in 2022/23.

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Diversify workforce: We want inclusivity and diversity to be rooted at the heart of engagement and participation practice, and for that practice to draw from the widest range of voices to reflect diverse audience needs. We will support Engage members to champion the value of inclusivity and diversity, providing training, resources, and data that supports the inclusivity and diversity of their own operations and programmes. In addition to this, Engage will develop initiatives to diversify the workforce, providing opportunities for diverse practitioners and programming. Initiatives taking place in Wales and Scotland in 2021/22 (including a programme for Black, Asian and Minority Ethnic young people to consider careers in the arts in Wales, and a pilot peer mentoring programme for Black, Asian and Minority Ethnic people working in the visual arts in Scotland) will inform development of an initiative in England.

Increase profile and visibility of members' practice: Innovative practice in engagement and participation is celebrated and disseminated by Engage across sector networks and beyond. We want Engage members to have the tools to lead the development of ambitious, cutting-edge practice that expands the quality, reach and impact of programming for the communities they serve. Engage members will have the opportunity to connect with peers and participate in reputable programmes which build on the legacy of Engage's work. Participation in regional and UK-wide activity led by Engage will enable both individual and organisational members to benefit from increased exposure and recognition of their work; both increasing the profile of engagement and participation work within their organisation and providing the opportunity to collectively demonstrate the value of engagement and participation within the visual arts to policy makers/decision makers and the wider public.

We will: support Engage Area and Special Interest Representatives; plan a UK-wide initiative showcasing the role of creative engagement in promoting positive wellbeing and mental health (for delivery in 2022/23); carry out research mapping engagement with contemporary art and design education in Scottish schools, commissioned by the Scottish Government; deliver the HARP Programmes (Health Arts Research People) through the Wales Arts Health & Wellbeing Network; showcase member-generated content within our online content provision.

Provide opportunity for members to debate and shape practice: We want members to have the confidence, awareness, and opportunity to influence wider strategic change. We will achieve this by supporting the sector to be better connected, with more opportunities for organisations to share learning, debate, and gain feedback from their peers. We will: launch a new online platform for peer communication; trial a revised publication format for our Journal and online content; plan and deliver a UK-wide network event for the sector workforce; support Engage Area and Special Interest Representatives to organise regional member meetings; deliver a peer learning programme; and deliver a programme of online member-led meetings around key areas of practice.

Lead sector advocacy: Engage will make the case for access to and resources for visual arts engagement and participation across the UK, supporting the sector to enable access to the visual arts for everyone, regardless of location and social circumstance. Engage will campaign for visual arts engagement and participation and for resources for its delivery. We will ensure the sector is better positioned to collectively advocate for the value of engagement and participation within the visual arts. We will share material and provide members with the tools and platform to campaign and advocate for engagement and participation practice to funders, partners and communities. We will: facilitate connections with advocacy and campaigning networks; contribute to UK consultations on visual arts engagement and participation throughout the year and support members to do the same;

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support sector campaigns; work in partnership with other key organisations in the UK and internationally to promote and advocate for visual arts engagement and participation; and provide opportunities for Council to contribute to Engage-led advocacy.

In 2021/22, Engage will deliver the Alexandra Reinhardt Memorial Award (ARMA) and MaxLiteracy 2021 creative writing awards in England.

Our membership remains at the heart of our future vision. By providing an attractive membership offer, clearly communicating its benefits, and providing a quality and valued service to signed up members, we will grow our membership over the coming years. This is integral both to growing the resilience of Engage and improving the quality of the offer itself, through drawing on the talent and diversity of a wider network of organisations and practitioners.

Engage's communications will promote the work of the organisation, particularly through developing digital platforms, with an emphasis on promoting the work of Engage and its members, and through leading sector advocacy. Through work with Culture24 we will establish methods to measure the performance of our online activity, gathering both qualitative and quantitative data.

Engage will operate with strong governance and management. Engage will diversify the make-up of its board and staff team (employed and freelance), seeking those who are Black, Asian, Minority Ethnic, disabled, LGBT+, or represent a less advantaged group.

Engage will diversify its funding, growing corporate support and partnerships with Higher Education Institutions alongside grants from public sources, trusts and foundations.

Engage is committed to reducing the negative environmental impact of the organisation. In 2021/22 we will undertake an environmental audit of our work, in order to understand how to minimise the impact of Engage's work on the environment and how best to address the climate emergency.

8.0 FINANCIAL REVIEW

8.1 Incoming Resources

During the year ended 31 March 2021, the principal sources of Engage's income were Arts Council England, Arts Council of Wales, Creative Scotland, Garfield Weston Foundation and the Paul Hamlyn Foundation.

Arts Council England (ACE) provides unrestricted funding for Engage's activities in England as part of their National Portfolio Organisations funding programme. This was £234,034 in the current year (2020: £229,806). In addition, ACE provided £14,049 through the Emergency Response fund, and a further grant of £50,000 through the Cultural Recovery Fund, of which £40,981 was utilized this year.

The Arts Council of Wales (ACW) and Creative Scotland (CS) gave restricted funding to support the work of Engage in Wales and Scotland, respectively.

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ACW provided funding for several projects in Wales during the year, including work on 'Unlocking Creative Potential' and 'Building a Resilient Wales Arts Health & Well-being Network'. In total £62,808 was received from ACW in 2020/21 (2020: £90,751).

Engage recognised grant funding of £44,218 from Creative Scotland in 2020/21 (2020: £6,712).

Engage also received a grant £28,500 from the Paul Hamlyn Foundation, to match funding support received through the ACE Cultural Recovery Fund, of which £21,356 was recognised in 2020/21.

Other donors are listed in note 2 to the accounts.

Overall income for the year ended 31 March 2021 increased from £452,352 in 2019/20 to £496,998 this year.

Income from charitable activities reduced by 56% from 2019/20 (from £67,737 to £29,512), principally due to the effects of Covid-19, which prevented the running of a conference event, and reduced the income from other training and member activities by around 50% (many of these activities were instead delivered online with reduced costs and income).

8.2 Resources Expended

Overall resources expenditure in the year decreased by £92,915 (16%) on the previous year to £481,895 (2020: £574,810).

This reflects significant savings through a staffing restructure in the year, together with suspension of the Engage conference for one year, and reduction in member training and other activities (e.g. the Extend programme).

8.3 Risk Management

The Trustees maintain a risk management strategy as follows:

- An annually reviewed risk register
- Implementation of systems designed to avoid identified risks
- Procedures designed to minimise risks should they arise

The main risks which the Board has identified relate to the possibility of reductions in funding of both core activities and project funding from major funders in future years. These risks are mitigated by the carrying of adequate reserves (see reserves policy below), by maintaining good relations with funders, carrying out effective fundraising from a more diverse range of sources of grants, and identifying other income streams.

In response to the Covid-19 pandemic in 2020/21, the team worked remotely and repurposed programmes so that they can be delivered within the restrictions of the pandemic, to continue the charity's core activities and to continue to secure income. The 2021/22 programme has been adapted to the pandemic, with online activity planned which will in turn be adapted to hybrid and in-person delivery depending on current health and safety considerations.

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All risk categories are monitored regularly at Board level through ongoing reviews and risk assessments.

8.4 Reserves Policy

The trustees review the reserves policy annually as part of the overall risk management of Engage. Free reserves are held to cover any temporary shortfall in income, unforeseen rise in spending requirements or other financial contingency, so that the charity can continue to operate at all times and manage any short-term fluctuations in cashflow levels.

Trustees review the charity's future plans, income projections and likely expenditure. They also consider the implications and likelihood of significant risks as part of the annual risk assessment process.

Engage's current core operating requirements are met by funding received from Arts Council England, who have approved a four-year grant from April 2018 to March 2022. An application has been made to Arts Council England for support for 2022/23.

Engage does not have any long-term liabilities, having moved offices in April 2021 to premises secured on a short-term licence.

Wind-down expenditure, associated with a reduction in operating activities due to reduced restricted project funding, would have minimal impact on core operating costs as most of the expenditure would cease as the projects ceased.

Trustees consider that the level of unrestricted reserves required to maintain central operations should equate to three months' core operating expenditure to smooth out short-term income or expenditure fluctuations. Three months' core central operations are assessed for the 2021/22 year as £62,585.

At 31 March 2021, free reserves of £61,136 (2019: £15,878) were held, 98% of the reserves target. Trustees have replenished reserves in 2021 by reducing expenditure on staffing through a restructure, by securing unrestricted funding and by negotiating with funders for restricted funds to be repurposed as unrestricted funds.

The Trustees will continue to review the level of reserves so that Engage maintains the appropriate level of financial security required for the challenges of the years ahead. Current projections for free reserves at the end of the 2021/22 financial year are £71,784, or 105% of the reserves target.

Unrestricted funds at March 2021 were:

- General funds £75,178 (2020: £33,985)
- Designated funds £0 (2020: £0)
- Restricted funds £47,216 (2020: £73,306)

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8.5 Going Concern

Trustees review the charity's future plans, income projections, and likely expenditure. They also consider the implications and likelihood of significant risks as part of the annual risk assessment process. Engage's current core operating requirements are met by funding received from the Arts Council of England who have approved a four-year grant from April 2018 to March 2022.

Arts Council England have invited Engage to apply for extension funding for 2022/23 at 2021/22 levels and a decision on funding is due in December 2021. This and other committed funding covers 77% of the operating budget for 2022/23, and trustees consider it is probable that ACE NPO extension funding will be confirmed at this level.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

9.0 STRUCTURE, GOVERNANCE & MANAGEMENT

The National Association for Gallery Education (Engage) is a membership association that exists to promote greater access to, and enjoyment and understanding of, the visual arts engagement and participation.

9.1 Governing Document

The company is governed by its Memorandum and Articles of Association (incorporated 4 April 2001 and as amended 18 November 2004 and 22 November 2007). The company is limited by guarantee. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each. Anyone over the age of 18 can become a member, and as of 31 March 2021 there were 17 members (2020:15).

The business of Engage is managed by the Trustees who may exercise all the powers of the organisation. Day-to-day operation of Engage is delegated to the Chief Executive, and the Board is provided with quarterly written updates on progress. Specific issues are referred to the Chair or other Trustees as appropriate when they arise.

The Council is an advisory body whose function is to give policy and strategic advice to the Trustees on best achieving the objectives of Engage.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

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9.2 Board of Trustees

9.2.1 Organisation

The Engage Board is responsible for the charity's forward strategy and management, advised by the Council on programming issues (see below). The Board meets quarterly and appoints a Chair with overall responsibility for Board issues. At 30 September 2021, there were 15 Board members who are Trustees of the Charity and Directors of the Company. Observers from Arts Council England (ACE), the Arts Council of Wales and Creative Scotland are entitled to attend all Board meetings. The Board delegates day-to-day authority for operational decisions to a Chief Executive and to staff members who are responsible for membership, finance, administration and the delivery of activity.

9.2.2 Appointments

The Board of Trustees appoints new Trustees. Applicants are put forward either by a Trustee or an Engage member, or invited to apply through advertising, and are then assessed regarding their suitability by a sub-group of Trustees called the Nominations Committee. This committee then makes recommendations to the Board regarding new appointments. Trustees may not serve for more than six years. After standing down they may not then be re-elected for at least one year.

9.2.3 Training

Trustees receive key documents about Engage when they take on their role and attend an induction session, which is held annually. A budget is provided for Trustee training and away days are held if the Trustees deem it desirable.

9.3 Engage Council

9.3.1 Organisation

The Engage Council advises the staff team on programming issues. Council meets three times in each calendar year and Trustees are encouraged to attend.

Council consists of Area Representatives (of whom there are at least two for each English region and for Scotland and Wales) and Special Interest Representatives. Special Interest Representatives sit on Engage's Council to represent key sections of Engage's membership and to add to the breadth of the Council's expertise. Currently there are representatives for freelancers, diversity, digital technologies, and higher education and research in relation to gallery education. Special interest areas are chosen in line with Engage's core priorities and in consultation with existing Council and Board members.

As of 30 September 2021 there were 31 members of Engage Council. 4 new members were elected at the January 2021 AGM.

Development Groups in Scotland and Wales work with the respective Engage Coordinators in their countries to develop programmes for Engage members.

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9.3.2 Appointments

Vacancies for Council members are advertised to members via email. Council members are nominated by another Engage member and then put up for election at Engage's AGM. Members may also be co-opted during the year and then officially elected at the following AGM. Members are able to vote in absentia at the AGM via postal or email vote.

9.3.3 Training

Council members are given a handbook when they take on their role and staff members work with Area Representatives throughout the year, to support their work and encourage activity. The induction procedure for new Council members takes place at least annually.

10.0 STAFF

As of September 2021, Engage employs six full- and part-time staff, led by a Chief Executive, to deliver its activities.

10.1 Staff Pay Policy

Engage has a pay policy which applies to all staff, including senior staff. Salaries for the coming year are agreed annually by the board in accordance with the Board's increments policy:

- Salaries will normally be increased from 1st April each year, having regard to the published Average Earnings percentage increase (excluding bonuses) statistics published by the Office for National Statistics (www.statistics.gov.uk).
- Any increase will be subject to affordability, particularly in the context of the budgets for the year ahead.
- The Board will have the discretion to consider higher or lower increases (or no increase) in exceptional circumstances, either for individual members of staff or the staff team as a whole, provided that good reasons exist for deviating from the standard policy.
- The Average Earnings percentage increase will be taken from the Office for National Statistics from the December immediately prior to the 1st April annual review date (KA19 series). The salary increase rates will be put to the Board for approval as part of the annual budget proposals.
- In order to be eligible for an incremental pay increase, a member of staff must have been employed by Engage no later than the preceding October and achieve a satisfactory annual appraisal.

A condition of the Arts Council England Cultural Recovery Grants is that senior members of staff are not awarded a pay increase within 18 months of receiving the grant. This only applies to the CEO.

10.2 Organisational Restructure

A restructure in 2020/21 resulted in the London team reducing in size and new roles being created. Four staff were made redundant and three new roles were recruited and appointed to. The CEO

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volunteered to reduce her hours from June but returned to full-time work in October 2020, when emergency funding was secured. The Executive Assistant, appointed in September 2020, moved to a new role in April 2021 and a new appointment was made in May 2021. The Creative Producer appointed in October 2020 left to retrain in September 2021 and a new full-time appointment was made in autumn 2021.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of National Association of Gallery Education for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, 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 charity will continue in operation

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 17 (2019: 15). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

**National Association for Gallery Education
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The directors acknowledge the following responsibilities:

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

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

The trustees' annual report has been approved by the trustees on 1 November 2021 and signed on their behalf by

Loveday Shewell
Treasurer

**Independent examiner's report
to the trustees of
National Association for Gallery Education**

I report to the trustees on my examination of the accounts of National Association for Gallery Education for the year ended 31 March 2021.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act').

You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44(1)(c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland, your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. Accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. The accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

**Independent examiner's report
to the trustees of
National Association for Gallery Education**

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

Name: Joanna Pittman FCA

Address: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Date: 29 November 2021

National Association for Gallery Education (operating as Engage)

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	348,894	117,076	465,970	229,806	148,209	378,015
Charitable activities	3	25,290	4,222	29,512	60,345	7,392	67,737
Other trading activities	4	1,470	–	1,470	6,410	–	6,410
Investments		46	–	46	190	–	190
Total income		375,700	121,298	496,998	296,751	155,601	452,352
Expenditure on:							
Raising funds	5	55,077	–	55,077	60,574	15,829	76,403
Charitable activities	5						
Advocacy		23,203	320	23,523	37,774	4,599	42,373
Dissemination		75,058	–	75,058	101,552	10,926	112,478
Professional development and leadership		111,326	–	111,326	142,968	18,670	161,638
Research and activities		69,843	147,068	216,911	20,407	161,511	181,918
Total expenditure		334,507	147,388	481,895	363,275	211,535	574,810
Net income / (expenditure) for the year	6	41,193	(26,090)	15,103	(66,524)	(55,934)	(122,458)
Transfers between funds		–	–	–	–	–	–
Net movement in funds		41,193	(26,090)	15,103	(66,524)	(55,934)	(122,458)
Reconciliation of funds:							
Total funds brought forward		33,985	73,306	107,291	100,509	129,240	229,749
Total funds carried forward		75,178	47,216	122,394	33,985	73,306	107,291

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

National Association for Gallery Education (operating as Engage)

Balance sheet

Company no. 4194208

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	11		2,120		2,211
Intangible assets	12		11,922		15,896
			<u>14,042</u>		<u>18,107</u>
Current assets:					
Debtors	13	36,554		32,445	
Cash at bank and in hand		194,543		123,613	
		<u>231,097</u>		<u>156,058</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(122,745)		(66,874)	
Net current assets			<u>108,352</u>		<u>89,184</u>
Total net assets			<u>122,394</u>		<u>107,291</u>
The funds of the charity:	17a				
Restricted income funds			47,216		73,306
Unrestricted income funds:					
Designated funds		–		–	
General funds		75,178		33,985	
		<u>75,178</u>		<u>33,985</u>	
Total unrestricted funds			<u>75,178</u>		<u>33,985</u>
Total charity funds			<u>122,394</u>		<u>107,291</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

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

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

Approved by the trustees on 1 November 2021 and signed on their behalf by

Loveday Shewell
Treasurer

National Association for Gallery Education (operating as Engage)

Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		15,103		(122,458)	
Depreciation charges		6,536		5,555	
Interest		(46)		(190)	
(Increase)/decrease in debtors		(4,109)		9,166	
Increase/(decrease) in creditors		55,871		(29,428)	
Net cash provided by / (used in) operating activities			73,355		(137,355)
Cash flows from investing activities:					
Interest		46		190	
Purchase of fixed assets		(2,471)		(6,721)	
Net cash provided by / (used in) investing activities			(2,425)		(6,531)
Change in cash and cash equivalents in the year			70,930		(143,886)
Cash and cash equivalents at the beginning of the year			123,613		267,499
Cash and cash equivalents at the end of the year	a		194,543		123,613

Analysis of cash and cash equivalents and of net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	123,613	70,930	–	194,543
a Total cash and cash equivalents	123,613	70,930	–	194,543

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

a) Statutory information

Engage is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is 70 Cowcross Street, London EC1M 6EJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

Trustees review the charity's future plans, income projections and likely expenditure. They also consider the implications and likelihood of significant risks as part of the annual risk assessment process. Engage's current core operating requirements are met by funding received from the Arts Council of England who have approved a four-year grant from April 2018 to March 2022.

Arts Council England have invited Engage to apply for extension funding for 2022/23 at 2021/22 levels and a decision on funding is due in December 2021. This and other committed funding covers 77% of the operating budget for 2022/23, and trustees consider it is probable that ACE NPO extension funding will be confirmed at this level.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Membership income is included in the accounts in the period in which it is received. This reflects the point at which membership for the ensuing period is confirmed and that subscriptions are non-refundable.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of advocacy, dissemination and professional development and other projects undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

● Raising Funds	20%
● Advocacy	9%
● Dissemination	26%
● Professional development and leadership	32%
● Research and activities	12%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

l) Intangible fixed assets

Individual intangible fixed assets costing £1,000 or more are capitalised at cost and are amortised over their estimated useful economic lives on a straight-line basis. The amortisation is as follows:

- Website development 5 years

Amortisation is only charged when the asset comes into use.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Office equipment 3 years

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

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

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes an employer contribution of 5% of gross salary to employees' personal or stakeholder pension schemes. From February 2018, contributions have been made into schemes qualifying under automatic enrolment regulations. Employees are required to make their own contributions of 3% of the eligible salary under automatic enrolment regulations for the 2020/21 year. The contributions made for the accounting period are treated as an expense and were £7,975 (2020: £13,087).

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Arts and Business Cymru	-	1,050	1,050	-	-	-
Arts Council England	289,064	-	289,064	229,806	1,800	231,606
Arts Council of Wales	-	62,808	62,808	-	90,751	90,751
Coronavirus Job Retention Scheme	11,274	-	11,274	-	-	-
Creative Scotland	-	44,218	44,218	-	6,712	6,712
Flintshire County Council	-	-	-	-	4,820	4,820
Garfield Weston Foundation	25,000	-	25,000	-	-	-
Glasgow University	-	-	-	-	748	748
Individual Donations	200	-	200	-	-	-
Kirby Laing Foundation	-	-	-	-	2,500	2,500
London Borough of Tower Hamlets	2,000	-	2,000	-	-	-
Marsh Christian Trust	-	-	-	-	1,483	1,483
Max Reinhardt Charitable Trust	-	-	-	-	30,895	30,895
Paul Hamlyn Foundation	21,356	-	21,356	-	-	-
The Chapman Trust	-	-	-	-	2,000	2,000
The Derek Hill Foundation	-	-	-	-	5,000	5,000
The D'Oyly Carte Trust	-	3,000	3,000	-	-	-
Theatre Clwyd	-	-	-	-	1,500	1,500
Wales and West Housing	-	3,000	3,000	-	-	-
Wrexham County Borough Council	-	3,000	3,000	-	-	-
	348,894	117,076	465,970	229,806	148,209	378,015

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Membership income	18,907	-	18,907	21,715	-	21,715
Conference delegates fees	-	-	-	26,736	-	26,736
Extend programme fees	6,000	-	6,000	9,200	35	9,235
Income from other events	-	4,222	4,222	996	7,357	8,353
Sales of Engage Journal and publications	383	-	383	1,698	-	1,698
Total income from charitable activities	25,290	4,222	29,512	60,345	7,392	67,737

4 Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Advertising income	1,320	-	1,320	4,395	-	4,395
Sundry fees and sponsorship	150	-	150	2,015	-	2,015
	1,470	-	1,470	6,410	-	6,410

National Association for Gallery Education (operating as Engage)

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities								
	Raising funds £	Advocacy £	Dissemination £	Professional development and leadership £	Research and activities £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	-	-	-	9,212	72,611	-	125,439	207,262	271,162
Consultants fees	5,620	-	-	-	6,918	-	39,196	51,734	4,391
Engage journal	-	-	9,799	-	-	-	-	9,799	8,050
Website content	-	-	-	-	5,789	-	4,309	10,098	10,905
Other CPD events	-	-	-	-	-	-	-	-	300
Annual Conference	-	-	-	-	-	-	-	-	26,514
Extend Leadership programme	-	-	-	23,804	-	-	-	23,804	56,741
Awards	-	-	-	-	21,850	-	-	21,850	19,794
Children's Art week	-	-	-	-	6,444	-	-	6,444	6,668
Advocacy	-	320	-	-	-	-	-	320	1,451
Catalyst	-	-	-	-	-	-	-	-	9,000
Other direct costs	150	-	-	-	65,505	-	11	65,666	70,614
General office costs	-	-	-	-	6,455	-	45,253	51,708	52,757
Board and Council expenses	-	-	-	-	-	1,329	-	1,329	7,953
Professional fees	-	-	-	-	-	5,231	11,685	16,916	14,058
Travel and subsistence	-	-	-	-	-	-	-	-	1,499
Bank charges and refunds	-	-	-	-	25	-	615	640	1,236
Other overhead costs	-	-	-	-	860	-	13,465	14,325	11,717
	5,770	320	9,799	33,016	186,457	6,560	239,973	481,895	574,810
Support costs	47,995	22,586	63,522	76,226	29,644	-	(239,973)	-	-
Governance costs	1,312	617	1,737	2,084	810	(6,560)	-	-	-
Total expenditure 2021	55,077	23,523	75,058	111,326	216,911	-	-	481,895	
Total expenditure 2020	76,403	42,373	112,478	161,638	181,918				574,810

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year)

	Charitable activities							
	Raising funds £	Advocacy £	Dissemination £	Professional development and leadership £	Research and activities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	-	-	-	-	57,158	-	214,004	271,162
Consultants fees	4,391	-	-	-	-	-	-	4,391
Engage journal	-	-	8,050	-	-	-	-	8,050
Website content	-	-	-	-	4,306	-	6,599	10,905
Other CPD events	-	-	-	300	-	-	-	300
Annual Conference	-	-	-	26,514	-	-	-	26,514
Extend Leadership programme	-	-	-	56,741	-	-	-	56,741
Awards	-	-	-	-	19,794	-	-	19,794
Children's Art week	-	-	-	-	6,668	-	-	6,668
Advocacy	-	1,414	37	-	-	-	-	1,451
Catalyst	9,000	-	-	-	-	-	-	9,000
Other direct costs	-	-	-	9,309	60,646	-	659	70,614
General office costs	-	-	41	737	1,475	-	50,504	52,757
Board and Council expenses	-	-	-	99	280	7,574	-	7,953
Professional fees	-	-	3,519	800	60	5,067	4,612	14,058
Travel and subsistence	-	-	-	953	-	-	546	1,499
Bank charges and refunds	-	-	10	-	-	-	1,226	1,236
Other overhead costs	-	-	-	22	24	-	11,671	11,717
	13,391	1,414	11,657	95,475	150,411	12,641	289,821	574,810
Support costs	60,379	39,247	96,607	63,398	30,190	-	(289,821)	-
Governance costs	2,633	1,712	4,214	2,765	1,317	(12,641)	-	-
Total expenditure 2020	76,403	42,373	112,478	161,638	181,918	-	-	574,810

Notes to the financial statements

For the year ended 31 March 2021

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	6,536	5,555
Operating lease rentals payable:		
Property	–	32,499
Other	1,646	1,646
Auditor's remuneration (excluding VAT):		
Audit	–	1,000
Independent Examination	3,200	3,200
	<u>6,536</u>	<u>32,499</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	183,600	236,402
Redundancy and termination costs	1,076	–
Social security costs	13,853	21,373
Employer's contribution to defined contribution pension schemes	7,975	13,087
Other	758	300
	<u>207,262</u>	<u>271,162</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £64,005 (2020: £72,288).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs relating to attendance at meetings of the trustees. There were no such reimbursements in the year, as there were no physical meetings (2020: £2,822 incurred by 6 members).

Trustees are compensated for loss of earnings for time spent attending meetings, as many of the trustees are freelancers. The total payments of compensation for loss of earnings were £1,262 (2020: £1,240) for 2 trustees (2020: 2).

Notes to the financial statements

For the year ended 31 March 2021

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 7 (2020: 8).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2021 No.	2020 No.
Raising funds	1.1	1.5
Advocacy	0.4	0.7
Dissemination	1.3	1.9
Professional development and leadership	1.4	1.2
Research and activities	0.6	0.6
Governance	0.5	0.9
	5.3	6.8

9 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Office equipment £	Total £
Cost		
At the start of the year	7,907	7,907
Additions in year	2,471	2,471
Disposal	(3,681)	(3,681)
At the end of the year	6,697	6,697
Depreciation		
At the start of the year	5,696	5,696
Charge for the year	2,562	2,562
Disposal	(3,681)	(3,681)
At the end of the year	4,577	4,577
Net book value		
At the end of the year	2,120	2,120
At the start of the year	2,211	2,211

Notes to the financial statements

For the year ended 31 March 2021

12 Intangible fixed assets

	Website £	Total £
Cost		
At the start of the year	19,870	19,870
Additions in year	–	–
Disposals in year	–	–
At the end of the year	19,870	19,870
Depreciation		
At the start of the year	3,974	3,974
Charge for the year	3,974	3,974
Eliminated on disposal	–	–
At the end of the year	7,948	7,948
Net book value		
At the end of the year	11,922	11,922
At the start of the year	15,896	15,896

13 Debtors

	2021 £	2020 £
Trade debtors	3,025	12,544
Other debtors	4,828	2,709
Grants receivable	22,402	6,712
Prepayments	6,299	10,480
	36,554	32,445

Included in debtors are financial assets valued at amortised cost of £33,243 (2020: £21,965).

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,515	20,784
Other creditors	–	6,044
Accruals and deferred income (note 15)	113,230	40,046
	122,745	66,874

15 Deferred income

	2021 £	2020 £
Balance at the beginning of the year	27,810	–
Amount released to income in the year	(26,010)	–
Amount deferred in the year	45,635	27,810
Balance at the end of the year	47,435	27,810

Notes to the financial statements

For the year ended 31 March 2021

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,120	–	–	2,120
Intangible fixed assets	11,922	–	–	11,922
Net current assets	61,136	–	47,216	108,352
Net assets at 31 March 2021	75,178	–	47,216	122,394

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,211	–	–	2,211
Intangible fixed assets	15,896	–	–	15,896
Net current assets	15,878	–	73,306	89,184
Net assets at 31 March 2020	33,985	–	73,306	107,291

17a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Engage Cymru	17,317	71,075	(85,740)	–	2,652
Engage Scotland	6,478	47,223	(41,293)	–	12,408
Children's Art Week	250	3,000	(3,250)	–	–
Alexandra Reinhardt Memorial award	27,119	–	(8,967)	–	18,152
MaxLiteracy Awards	21,219	–	(7,215)	–	14,004
Marsh Awards	923	–	(923)	–	–
Total restricted funds	73,306	121,298	(147,388)	–	47,216
General funds	33,985	375,700	(334,507)	–	75,178
Total unrestricted funds	33,985	375,700	(334,507)	–	75,178
Total funds	107,291	496,998	(481,895)	–	122,394

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2021

17b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Engage Cymru	9,246	104,401	(96,330)	–	17,317
Engage Scotland	62,623	9,522	(65,667)	–	6,478
Generation ART	375	–	(375)	–	–
Children's Art Week	3,067	7,500	(10,317)	–	250
Alexandra Reinhardt Memorial Award	9,482	30,895	(13,258)	–	27,119
MaxLiteracy Awards	36,324	–	(15,105)	–	21,219
Marsh Awards	923	1,483	(1,483)	–	923
Catalyst	7,200	1,800	(9,000)	–	–
Total restricted funds	129,240	155,601	(211,535)	–	73,306
Unrestricted funds:					
Designated funds:					
Digital	10,000	–	–	(10,000)	–
Children's Art Week	10,000	–	–	(10,000)	–
Total designated funds	20,000	–	–	(20,000)	–
General funds	80,509	296,751	(363,275)	20,000	33,985
Total unrestricted funds	100,509	296,751	(363,275)	–	33,985
Total funds	229,749	452,352	(574,810)	–	107,291

Purposes of restricted funds

Engage Cymru and Engage Scotland

These funds are funded by the Arts Council of Wales and Creative Scotland respectively and fund the activities of Engage in those countries.

Generation ART

Generation Art was an open submission touring exhibition of children and young peoples art work which toured in 2015/16. We have been fundraising for another tour in 2021.

Children's Art Week

Children's Art Week is funded by several trusts and foundations to promote the participation of young people in the arts by means of activities undertaken in galleries and museums during Children's Art Week each year.

Alexandra Reinhardt Memorial Award

The Alexandra Reinhardt Memorial Award is funded by the Max Reinhardt Charitable Foundation. The project aims to bring together the creative energies of an artist, a museum, visual arts venue or gallery and the local community. It is intended to engage and inspire children, young people and families as well as lead to the creation of an artwork to go on public display.

MaxLiteracy Awards

The MaxLiteracy Awards (previously known as the Max Reinhardt Literacy Awards) are funded by the Max Reinhardt Charitable Foundation. The project was developed to enable galleries, art museums and visual arts venues to support a dedicated programme of creative writing and literacy work with schools. Funding from the Awards will allow each of the three venues to employ a creative writer to work with a local school on a creative writing or literacy project, taking inspiration from the venue's collections, displays or building. The Awards are run in partnership by Engage and the National Association for Writers in Education (NAWE).

Purposes of restricted funds (continued)**Marsh Awards**

The Marsh Awards are an annual award made to recognise those working in Gallery Education who have shown dedication or innovation in their work. It is funded by the Marsh Christian Trust.

Extend/Museum Resilience Fund

To support colleagues from the museum sector to take part in the Extend mid-career leadership programme.

Purposes of designated funds**Digital Fund**

The Digital Fund was intended for a program of information, research and education on digital development and opportunities in gallery education. This fund was dissolved in 2020 and the funds transferred to the general reserve.

Children's Art Week

Reserves had been set aside as Engage's support for the Children's Art Week project, described under restricted funds above. This fund was dissolved in 2020 and the funds transferred to the general reserve.

18 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	–	32,499	3,290	1,646
One to five years	–	–	797	4,187
	–	32,499	4,087	5,833

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.