

# Engage

Bringing people  
and art together

National Association for Gallery Education (operating as Engage)

For the year ended 31 March 2023

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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		Resigned June 2022
Andrew Lawson		
Julian Nettel		
Janie Nicoll		
Loveday Shewell	Treasurer	
Sarah Campbell	Vice Chair	Resigned July 2022
Bethan Page		Resigned April 2022
Natalie Walton		Resigned May 2023
Rosalind Croker-Ahmed		Resigned March 2023
Debi Banerjee		Resigned October 2022
David Tubman		Resigned May 2023
Angharad Palin		
Damien McGlynn		
Ffion Rhys		
Anita Taylor	Chair	
Bernard Hay		Appointed December 2022
Laura Gabe		Appointed December 2022
Ally Zlata		Appointed December 2022

Jane Sillis                      Chief Executive

### 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 and principal place of business*

70 Cowcross Street, London, EC1M

National Association for Gallery Education (operating as Engage)

For the year ended 31 March 2023

Reference and administration information

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### Advisors

Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
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Bankers	CAF Bank Ltd Kings Hill West Malling Kent ME19 4TA
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	National Westminster Bank PLC Chancery Lane & Holborn PO Box 159 332 High Holborn London WC1V 7PS
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2022/23 was a key year for Engage's long-term organisational strategy following an intensive period of organisational realignment. Our plans built on developments to our programme, operational, and financial models, underpinned by a new Theory of Change that articulates the mission of the work we do - "Everyone has the opportunity to engage with visual art in ways that enrich their lives" - and five new priority objectives: Train the workforce, Diversify the workforce, Increase profile and visibility of members' practice, Provide opportunity for members to debate and shape practice, and Lead sector advocacy to deliver this.

The 2022/23 period was significant as our Board lead the application to our principal funder Arts Council England (ACE), to be included as a National Portfolio Organisation. In preparation for this, the 2022/23 programme was aligned to ACE's core strategy – Let's Create, and guided by the ACE Investment Principles of Ambition & Quality, Dynamism, Environmental Responsibility, and Inclusivity and Relevance.

From 2021/22, Engage has defined a new driving mission for our work:

*Everyone has the opportunity to engage with visual art in ways that enrich their lives.*

Our mission will be delivered through five priority areas:

- Train the workforce
- Diversify the workforce
- Increase the profile and visibility of members' practice
- Provide opportunity for members to debate and share practice
- Lead sector advocacy

Engage's objectives as set out in its 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.

In 2022/23 our activities were directed to deliver the five priority areas outlined above (2.1).

Progress was measured against SMART objectives agreed with the Board against each of these areas: governance and management; communications; finance and resilience; equality and diversity and environmental responsibility.

All five SMART targets for training the workforce were met in full or part. Targets focused on quantitative indicators such as the number of events; and attendance at these and qualitative measures to assess the benefits to training participants in terms of skills and knowledge development, relevance and career progression. 75 events were delivered against a target of 90. These included networking, peer learning, training and a new podcast series. The attendance rate for these was 98% against a target of 80%, with paid for events encouraging attendance. 94% of attendees reported that activities enhanced their skills and knowledge against a target of 90%. 94% of participants stated training was relevant to their career development against a target of 60%. 88% of training participants reported that training was relevant, just short of our 90% target. Training focused on equalities and diversity, environmental responsibility, evaluation and health and wellbeing. Specific programmes addressed: race, neurodivergence, mental health, safeguarding, early years, outdoor learning and creative evaluation. Comments from participants included:

*"Reduced stress around evaluation."*

*"Increased awareness, actionable."*

The Wales Arts Health and Wellbeing Network delivered a wellbeing programme to 200 artists, How Ya Doing, through creative reflection, creative sessions and coaching.

27 participants completed the online Extend leadership programme. 100% of those who took part reported they gained leadership knowledge, 88% enhanced leadership skills and 83% clear career goals. As one participant said:

*"I have found every element of the training extremely valuable. It has been very thoughtfully constructed to cover many areas of relevance. It has come at a brilliant time for me when I'm developing a team and having to think a lot about forward planning."*

Extend leadership alumni since 2011 met in person at New Art Gallery, Walsall in August 2022.

Training met the ACE *Ambition and Quality* investment principle, equipping participants with the skills and knowledge to deliver innovative, cutting-edge practice. *Dynamism* was delivered through nurturing a skilled and resilient workforce able to lead. *Diversity and inclusivity* and *Environmental Responsibility* were core topics throughout training

programmes, with online provision supporting both access and modelling good environmental practice.

We met both Engage's quantitative targets to diversify the workforce. 18 opportunities were provided for young people who are Black, Asian, Ethnic Minority, deaf, disabled, LBQT+, from lower socio-economic backgrounds or represent a less advantaged group to work with organisations who deliver engagement and participation. Activities including the Gathering Momentum Young Producers initiative; Engage Cymru's Change Makers accredited placement programme, the Engage Scotland ART Evolution youth engagement scheme and the Stephen Palmer Travel Bursary Fund, also delivered by Engage Scotland.

Six young people co-produced Gathering Momentum, a two-day online event in March 2023 for the visual arts workforce, looking at the future of the sector for young people. Contributors spoke about the climate emergency, equalities, activism and youth voice. Young producers were supported through training and coaching. The resources they created are an important legacy for the event. Delegates valued the event commenting:

*"Congratulations to all the young people involved in producing a rich and stimulating event"*

*"A very thought provoking event - there was a great feeling of honesty and genuine concern and interest in the presentations - with examples of projects and approaches that were achievable and making a real impact"*

Engage Cymru's Change Makers programme supported 20 global majority young people to complete accredited placements with visual arts hosts in South Wales. Participants shared their experiences through an online debate and film. Evaluation of the programme has directly informed the Inclusion Ready Practice programme in 2023/24, focused on systemic change to organisational culture in visual arts organisations in Wales.

Young people in Scotland shared their experiences of participating in the ART Evolution programme through an online event in summer 2022 for sector colleagues, and through films and an evaluation report.

Engage met the target to increase the diversity of participants attending training and events by 3% from those who identify as Black, Asian, Ethnic Minority, deaf, disabled, LBQT+, from lower socio-economic backgrounds or represent a less advantaged group. Black, Asian or Ethnic Minority participants were 13% compared with 7% in the previous year; LBQT+ participants 27% compared with 6% in 2021/22 and Disabled and Neurodiverse participants 20% compared with 13% in the previous year.

Baseline data gathered in 2022/23 has been used to set targets for activities from 2023 onwards growing the diversity of the sector. Engage's progress is modest but has established a foundation for this critical area of work.

This strand of activity supports the ACE *Inclusivity and Relevance* principle through activities and sharing evaluation.

We met the targets to increase the profile and visibility of members' practice with 62 opportunities compared with 40 in 2021/22. These included case studies for Let's Create Art and on members' environmental practice; contributions to the Journal and podcasts, Area Group events in person and online and a sharing event for the Engage Cymru Change Makers programme.

60% of members said that they value the opportunity to share practice compared to 16% in the previous year.

The Journal on Generation Z and the Future of Creative Work was accompanied by two well received online debates in summer 2022, and for the first time a series of four podcasts.

Let's Create Art (LCA) in autumn 2022 engaged 4,000 participants through 146 events and 20 bursaries with a focus on arts and wellbeing. We provided sector training and shared advocacy tools including case studies, a film and commissioned artwork. Let's Create Art 2023 will focus on supporting young people to access training, education and work in the visual arts. 60% of respondents said that, through LCA, participants gained confidence and enhanced self-esteem, 70% new skills, 80% enhanced wellbeing, 70% greater social connections and 70% access to further arts activities. As one respondent said, LCA had the advantage of:

*"Allowing participants free access to an arts activity delivered locally but which is also part of a nationwide project."*

This activity supported the ACE *Inclusivity and Relevance* principal by ensuring activities reflect members' current concerns and practice, and *Ambition and Quality* through supporting members to share and evaluate practice.

We exceeded our target to increase opportunities for members to meet and connect with peers by 50% with 38 events compared with 24 events in the previous year. These included the new online monthly Members' Mingle meetings and inaugural sharing events for the Let's Create Art advocacy campaign and the Wales Arts Health and Wellbeing Network events.

91% of members reported that sharing practice enabled them to influence wider strategic change. This data provides a baseline for a more ambitious target in 2023/24.

Through this strand of activity, we delivered the *Inclusivity and Relevance* and *Ambition and Quality* principles, both within our organisation and in our support for the sector.



We met our targets to lead sector advocacy contributing to 24 consultations or speaking engagements on visual arts engagement and participation compared with 13 in the previous year. This included work across Wales, Scotland and England, contributing to consultation on policy and programme delivery for statutory arts organisation, government, and trusts and foundations and teaching at higher education institutions. In addition, we participated in 13 advisory groups across visual arts engagement and participation in Wales, Scotland and England, the same number as last year. 81% of training participants reported that they feel able to contribute to sector advocacy as a consequence of Engage's advocacy work. This will provide baseline data for the 2023/24 SMART objective.

This strand of activity enabled Engage to address the investment principles of *Inclusivity and Relevance* and *Ambition and Quality*, as Engage lead sector advocacy, collaborating with relevant partners to make the case for access to and resources for visual arts engagement and participation across the UK.

We met our overall target to increase the number of paying member beneficiaries with 258 compared to 221 in the previous year.

Membership from 2023/24 is underpinned by a refreshed membership strategy through which we aim to grow and diversify membership. During 2023 we will also collect demographic data on members to establish baseline data for targets to diversify membership from 2024 onwards.

The website was refreshed, and new content was added. Job listings exceeded our target, with 76 listings against a target of 68. There was a small decrease in website engagement of 1k users. Twitter followers remained stable. The appointment of a new Marketing Officer in summer 2023, a refreshed marketing and communications strategy and plan in 2023/24 and new programme strands in 2023/24 will stimulate engagement on social media and through the website.

We measured our performance against a number of SMART objectives on equality and diversity:

We achieved our objective to diversify the Engage staff team, with a targeting of recruiting at least one team member from a diverse background. During 2022/23 there was an increase in the team in those who identified as deaf or disabled; average lower age; increased LGBTQ+ diversity, gender identification and an increased range of socio-economic backgrounds. There was no change to ethnic diversity. Board membership in 2023 increased in its spread of socio-economic backgrounds, balance of male and female Board members and a wider spread of ages. Board membership includes those who identify as deaf, disabled and neurodivergent. The Board was 75% White British. In 2023 recruitment to the Board has focused on further diversifying membership. In tandem with

this, a review of the organisation's culture involving the Board and the team is underway in 2023.

Eight training sessions were delivered on equalities and inclusion issues against a target of 10 and formed partnerships with 10 new equalities and inclusion organisations meeting our target. Further work needs to be done collecting demographic data on members to provide baseline data for targets to diversify membership from 2024. The Journal Advisory Editorial Board was reviewed and a new model will be in place for 2023/24 with the refreshed Journal format.

An environmental action plan and policy was refreshed in summer 2022 with the support of Environmental Champions from the Board, Council and the staff team who also attended a Climate Crisis event in March 2023. Training sessions and case studies were shared on the climate emergency.

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 central aim that 'Everyone has the opportunity to engage with visual art in ways that enrich their lives'.
- 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.

In 2022/23 we engaged with 1,008 participants directly and 4,110 indirectly through programmes with partners, engaging with 5,198 participants overall.

Feedback from participants in terms of impact was consistently strong, with 95% of participants in training, for example, reporting it positively supported their future career development.

Programmes such as Change Makers, Gathering Momentum and ART Evolution focused on supporting young people underrepresented in the visual arts workforce to progress.

Advocacy has remained a strength of Engage with evidence from the Engage Scotland and Queen Margaret University research, Mapping contemporary art and design education in Scotland, being profiled at the Edinburgh International Cultural Summit in summer 2022.

The Wales Arts Health and Wellbeing Network became independent of Engage Cymru having demonstrated the impact of its work.

Engage became an Arts Council England Investment Principles Organisation from 2023/24. Support was secured from Creative Scotland and Arts Council Wales. Grants were received from the Arts Society, Derek Hill Trust, Fleming Collection and from Wales and West Housing Association. We continued to work in partnership with the Marsh Charitable Trust and to revise the programmes we will deliver with the Max Reinhardt Charitable Trust from 2023/24.

Our planned activities respond to the needs of our members, the wider sector and the beneficiaries who we support them to engage with. Our programme directly addresses these new needs - including a focus on wellbeing, peer connection and resilience - and maintains flexible, remote and hybrid forms of delivery to ensure continued provision across all potential future restrictions. Our plans also address the ongoing and urgent priority for Engage and the sector to diversify its workforce, tackling this long-standing challenge with dedicated activities. We will also continue to focus support on equipping the sector with the tools to ensure its reach to new audiences and into areas with low levels of cultural engagement.

Core activity (summarised below) builds on the groundwork laid in 2021 and 2022 and continues to focus on the objectives established in our Theory of Change. UK-wide IPSO activities planned for 2023-25, which we will deliver across the five core objectives, include the launch of three new UK-wide initiatives: Art Encounters, Exchange and New Routes. Our work as an ACE IPSO focuses on supporting the sector to deliver two principles, *Dynamism* and *Ambition and Quality*.

- *Art Encounters* is a UK-wide online short course and alumni network that supports our aim to develop future leaders in the arts and cultural sectors who reflect the diversity of the UK.
- *Art Encounters* is an annual UK campaign showcasing the vital role of visual arts engagement in promoting positive wellbeing. The programme includes micro-bursaries and training targeted at geographic areas in the UK with less cultural provision.

- is a series of online training events that focus on upskilling and supporting the learning and engagement workforce to address key challenges and develop practice.
- is a revisioning of Engage's established network approach, supporting Area Representatives across the UK through training and professional development to deliver network events for members.
- is a peer learning programme to complement Engage's Journal and Podcast, which will equip underrepresented voices across the UK to share practice.
- is a new initiative focused on bridging the gap between compulsory education and employment for individuals with few opportunities for creative careers, through paid placements and training.
- is a professional development programme in targeted geographic areas in England, supporting visual art engagement professionals to deliver Action Learning projects with children and young people.
- is our hybrid annual network event, which will bring together learning from key programmes such as Art Encounters and Exchange to create an opportunity for all those working in the diverse field of arts engagement to join together for debate and discussion focused on the key issues and challenges affecting our work.

Engage Cymru will focus on an initiative to support 10 visual arts organisations to embed inclusive practice through coaching and peer learning. Outcomes will be shared with the visual arts sector in Wales. Training on evaluation will be provided alongside training and leadership development with UK-wide colleagues. Members will participate in New Routes and Let's Create Art. Regular networking sessions will be led by members in Wales. A resource will be produced with Contemporary Art Society Wales on the new curriculum.

Engage Scotland will raise the profile of disabled artists in the visual arts in Scotland and support visual arts organisations to work with high school students. Regular networking and training sessions will support activities on themes proposed by members. Scottish colleagues will participate in training and leadership programmes with colleagues from across the UK and contribute to Let's Create Art and New Routes.

We will activate ways to measure performance and gather both quantitative and qualitative data across all of our activities and programmes, enabling us to continually develop and be informed by the experience for our members and wider sector colleagues. Robust data gathering methods, and regular review and analysis, will drive planning a future programme that remains flexible and responsive to shifting needs.

During the year ended 31 March 2023, the principal sources of Engage's income were Arts Council England, Arts Council of Wales and Creative Scotland.

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 (2022: £268,053).

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

ACW provided funding for several projects in Wales during the year, including funding for Cultural Recovery, work on Change Makers and building a resilient Wales Arts Health and Wellbeing Network. In total £82,830 was received from ACW in 2022/23 as we wound down our Wales Arts Health and Wellbeing Network (WAHWN) activity (2022: £140,896).

Engage recognised grant funding of £67,438 from Creative Scotland in 2022/23 (2023: £92,742).

Other donors are listed in note 2 to the accounts.

Overall income for the year ended 31 March 2023 decreased from £642,411 in 2021/22 to £466,166 this year due to changes in our restricted funding mix and the extension of project dates due to COVID delays in the prior year.

Income from charitable activities increased from 2021/22 (from £38,300 to £40,283), as both membership and events increased during the year as we and our membership returned to work and activities.

Overall resources expended in the year increased £20,316 on the previous year to £537,363 (2021/22: £517,047) as we delivered projects with restricted funds from previous years.

Programme costs increased due to return to activity. The trustees have approved a budget through designated funds to increase expenditure in this area in 2023/24 to continue to increase activity and programme.

The trustees maintain a risk management strategy as follows:

- A quarterly 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.

The team now works fully remotely with hotdesking provided in some locations. We have added Staff Wellbeing to our risk monitoring as we transition to this new way of working.

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

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 cash flow 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, which has approved a two-year grant from April 2023 to March 2025 and an extension to this funding after 2025 when we relocate from London.

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 2023/24 year as £63,976.

At 31 March 2023, free reserves of £64,719 (2022: £64,717) were held, 101% of the reserves target.

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.

Unrestricted funds at March 2023 were:

- General funds £71,101 (2022: £73,960)
- Designated funds £39,950 (2022: £42,000)

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 which has approved a two-year grant from April 2023 to March 2025 and one-year Extension Funding at the same level until March 2026 following our move from London.

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

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

The company is governed by its Memorandum and Articles of Association (incorporated 4 April 2001 and as amended 18 November 2004, 22 November 2007 and 28 January 2021). 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 2023 there were 11 Trustee members (2022:16).

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, the function of which 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.

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 2023, there were 11 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.

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.

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. During the year, three new trustees joined and received an online induction and were assigned Trustee Buddies to support them in their induction.

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 12 September 2023, there were 27 members of the Engage Council. Nine new members were elected at the December 2022 AGM.



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

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.

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.

As of September 2023, Engage employs eight full- and part-time staff, led by a Chief Executive, to deliver its activities.

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.

We built on the organisational restructure initiated in 2020, increasing the size and hours of the team, which built capacity to deliver the Theory of Change and brought more skills in house such as finance and operations. The team received training in areas such as fundraising, income generation and partnerships to build the organisation's resilience.

The trustees (who are also directors of the National Association for 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information.

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 9 October 2023 and signed on their behalf by

Anita Taylor  
Chair

We have audited the financial statements of National Association for Gallery Education (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

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 National Association for Gallery Education'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.

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 has been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or

- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

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

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

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

Our 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 the 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 are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

National Association for Gallery Education (operating as Engage)

For the year ended 31 March 2023

Independent auditor's report

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A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date: 24 November 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Income from:	Note	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
		£	£	Total £	£	£	Total £
	2	244,034	170,867	<b>414,901</b>	285,448	313,295	598,743
	3	40,283	–	<b>40,283</b>	38,300	–	38,300
	4	9,488	–	<b>9,488</b>	5,329	–	5,329
		1,494	–	<b>1,494</b>	39	–	39
		295,299	170,867	<b>466,166</b>	329,116	313,295	642,411
	5	58,496	9,906	<b>68,402</b>	66,955	6,468	73,423
	5	41,950	–	<b>41,950</b>	44,816	380	45,196
		61,632	–	<b>61,632</b>	64,916	–	64,916
		76,178	21,032	<b>97,210</b>	76,868	–	76,868
		61,952	206,217	<b>268,169</b>	34,779	221,865	256,644
	306,						



# National Association for Gallery Education (operating as Engage)

## Balance sheet

Company no. 4194208

As at 31 March 2023

	Note	£	2023 £	£	2022 £
<b>Fixed assets:</b>					
Tangible assets	11		2,409		1,296
Intangible assets	12		3,973		7,947
			<u>6,382</u>		<u>9,243</u>
<b>Current assets:</b>					
Debtors	13	5,861		9,920	
Cash at bank and in hand		220,981		316,606	
		<u>226,842</u>		<u>326,526</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(56,663)		(88,011)	
<b>Net current assets</b>			<u>170,179</u>		<u>238,515</u>
<b>Total net assets</b>			<u><u>176,561</u></u>		<u><u>247,758</u></u>
<b>The funds of the charity:</b>	17a				
Restricted income funds			65,510		131,798
Unrestricted income funds:					
Designated funds		39,950		42,000	
General funds		71,101		73,960	
		<u></u>	<u>111,051</u>	<u></u>	<u>115,960</u>
<b>Total unrestricted funds</b>			<u>111,051</u>		<u>115,960</u>
<b>Total charity funds</b>			<u><u>176,561</u></u>		<u><u>247,758</u></u>

Approved by the trustees on 9 October 2023 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 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(71,197)		125,364	
Depreciation charges		4,974		4,799	
Interest		(1,494)		(39)	
(Increase)/decrease in debtors		4,060		26,634	
Increase/(decrease) in creditors		(31,349)		(34,734)	
<b>Net cash provided by / (used in) operating activities</b>		<b>(95,006)</b>		<b>122,024</b>	
<b>Cash flows from investing activities:</b>					
Interest		1,494		39	
Purchase of fixed assets		(2,113)		–	
<b>Net cash provided by / (used in) investing activities</b>		<b>(619)</b>		<b>39</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>(95,625)</b>		<b>122,063</b>	
Cash and cash equivalents at the beginning of the year		316,606		194,543	
<b>Cash and cash equivalents at the end of the year</b>	a	<b>220,981</b>		<b>316,606</b>	

Analysis of cash and cash equivalents and of net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash at bank and in hand	316,606	(95,625)	–	220,981
<b>a Total cash and cash equivalents</b>	<b>316,606</b>	<b>(95,625)</b>	<b>–</b>	<b>220,981</b>

Notes to the financial statements

For the year ended 31 March 2023

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**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 three-year grant from April 2023 to March 2026 with a review at 2025.

Engage have applied to Arts Council Wales for funding from April 2024 – March 2027 and expect to hear the outcome in October 2023.

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 2023

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**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	21%
● Advocacy	15%
● Dissemination	20%
● Professional development and leadership	21%
● Research and activities	23%

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 2023

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**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 2021/22 year. The contributions made for the accounting period are treated as an expense and were £9,301 (2022: £8,310).

## Notes to the financial statements

## For the year ended 31 March 2023

## 2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Arts and Business Cymru	–	500	500	–	3,450	3,450
Arts Council England	234,034	–	234,034	268,053	–	268,053
Arts Council of Wales	–	82,830	82,830	–	140,896	140,896
Creative Scotland	–	67,438	67,438	–	92,742	92,742
Newport County Council	–	–	–	–	150	150
NESTA	–	–	–	–	30,600	30,600
Individual Donations	–	–	–	250	–	250
Fleming Trust	–	5,000	5,000	–	5,000	5,000
Marsh Christian Trust	–	2,100	2,100	–	2,328	2,328
Max Reinhardt Charitable Trust	–	–	–	–	38,129	38,129
Paul Hamlyn Foundation	–	–	–	7,145	–	7,145
Cardiff Vale Heath Authority	–	4,999	4,999	–	–	–
The Derek Hill Foundation	–	5,000	5,000	–	–	–
The Art Society	–	3,000	3,000	–	–	–
Wales and West Housing	10,000	–	10,000	10,000	–	10,000
	<b>244,034</b>	<b>170,867</b>	<b>414,901</b>	<b>285,448</b>	<b>313,295</b>	<b>598,743</b>

## 3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Membership income	27,173	–	27,173	26,351	–	26,351
Income from other events	11,415	–	11,415	10,897	–	10,897
Sales of Engage Journal and publications	1,695	–	1,695	1,052	–	1,052
Total income from charitable activities	<b>40,283</b>	<b>–</b>	<b>40,283</b>	<b>38,300</b>	<b>–</b>	<b>38,300</b>

## 4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Advertising income	6,863	–	6,863	3,733	–	3,733
Sundry fees and sponsorship	2,625	–	2,625	1,596	–	1,596
	<b>9,488</b>	<b>–</b>	<b>9,488</b>	<b>5,329</b>	<b>–</b>	<b>5,329</b>

## Notes to the financial statements

For the year ended 31 March 2023

## 5a Analysis of expenditure (current year)

	Charitable activities							2023 Total £	2022 Total £
	Raising funds £	Lead sector advocacy £	Increase profile and visibility of members practice £	Train the workforce £	Diversify the workforce £	Governance costs £	Support costs £		
Staff costs (Note 7)	-	-	-	11,113	41,847	-	195,642	<b>248,602</b>	204,439
Consultants and freelance fees	10,432	-	2,000	5,600	41,513	-	16,799	<b>76,344</b>	63,308
Website content	-	-	-	45	5,986	-	3,586	<b>9,617</b>	11,818
Annual Conference	-	-	-	-	-	-	-	-	8,146
Awards	-	-	-	11,955	20,143	-	-	<b>32,098</b>	53,088
Advocacy	-	1,694	-	100	627	-	114	<b>2,535</b>	556
Other direct costs (programme incl Journal and CPD tra	-	-	6,337	11,445	94,242	-	(2,085)	<b>109,939</b>	111,646
General office costs	-	-	137	-	396	-	32,750	<b>33,283</b>	33,499
Board and Council expenses	-	-	-	400	130	1,419	-	<b>1,949</b>	1,857
Professional fees	-	-	-	-	-	10,713	1,315	<b>12,028</b>	17,586
Bank charges and refunds	-	-	19	193	150	-	677	<b>1,039</b>	601
Other overhead costs	-	-	-	-	334	920	8,675	<b>9,929</b>	10,505
	10,432	1,694	8,493	40,851	205,368	13,052	257,473	<b>537,363</b>	517,049
Support costs	55,173	38,314	50,575	53,640	59,771	-	(257,473)	-	-
Governance costs	2,797	1,942	2,564	2,719	3,030	(13,052)	-	-	-
<b>Total expenditure 2023</b>	<b>68,402</b>	<b>41,950</b>	<b>61,632</b>	<b>97,210</b>	<b>268,169</b>	<b>-</b>	<b>-</b>	<b>537,363</b>	
Total expenditure 2022	<b>73,423</b>	<b>45,196</b>	<b>64,916</b>	<b>76,868</b>	<b>256,644</b>	<b>-</b>	<b>-</b>		<b>517,049</b>

## Notes to the financial statements

For the year ended 31 March 2023

## 5b Analysis of expenditure (prior year)

	Charitable activities							2022 Total £
	Raising funds £	Lead sector advocacy £	Increase profile and visibility of members practice £	Train the workforce £	Diversify the workforce £	Governance costs £	Support costs £	
Staff costs (Note 7)	-	-	-	-	-	-	204,439	204,439
Consultants fees	8,932	-	-	-	27,182	-	27,194	63,308
Website content	-	-	-	-	5,072	-	6,746	11,818
Annual Conference	-	-	-	-	8,146	-	-	8,146
Awards	-	-	-	-	53,088	-	-	53,088
Advocacy	-	556	-	-	-	-	-	556
Other direct costs (Programme)	210	-	5,991	14,372	90,968	-	105	111,646
General office costs	-	-	-	-	-	-	33,499	33,499
Board and Council expenses	-	-	-	-	140	1,717	-	1,857
Professional fees	-	-	-	-	1,823	9,471	6,292	17,586
Bank charges and refunds	-	-	-	-	-	-	601	601
Other overhead costs	-	-	-	-	587	-	9,918	10,505
	9,142	556	5,991	14,372	187,006	11,188	288,794	517,049
Support costs	61,884	42,975	56,727	60,165	67,041	-	(288,794)	-
Governance costs	2,397	1,665	2,198	2,331	2,597	(11,188)	-	-
<b>Total expenditure 2022</b>	<b>73,423</b>	<b>45,196</b>	<b>64,916</b>	<b>76,868</b>	<b>256,644</b>	<b>-</b>	<b>-</b>	



## Notes to the financial statements

## For the year ended 31 March 2023

**6 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	4,974	4,799
Operating lease rentals payable:		
Property	-	-
Other	-	-
Auditor's remuneration:		
Audit	9,600	8,400
	<u>9,600</u>	<u>8,400</u>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	216,835	181,340
Social security costs	16,790	13,716
Employer's contribution to defined contribution pension schemes	9,301	8,310
Other	5,675	1,073
	<u>248,602</u>	<u>204,439</u>

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

	2023 No.	2022 No.
£60,000 – £69,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £73,791 (2022 £74,037).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £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 (2022: £Nil incurred by 0 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 £920 (2022: £1,800) for 2 trustees (2022: 2).

## Notes to the financial statements

For the year ended 31 March 2023

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 7.4 (2022: 5.9).

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

	2023 No.	2022 No.
Raising funds	1.1	1.2
Advocacy	0.8	0.7
Dissemination	1.0	1.0
Professional development and leadership	1.1	1.0
Research and activities	1.2	1.1
Governance	0.7	0.9
	<b>5.9</b>	<b>5.9</b>

**9 Related party transactions**

There are no related party transactions to disclose for 2023 (2022: none).

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

Trustee expenses and payments to trustees are disclosed in note 7.

**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 £
<b>Cost</b>		
At the start of the year	6,697	6,697
Additions in year	2,113	2,113
Disposal	–	–
At the end of the year	<b>8,810</b>	<b>8,810</b>
<b>Depreciation</b>		
At the start of the year	5,401	5,401
Charge for the year	1,000	1,000
Disposal	–	–
At the end of the year	<b>6,401</b>	<b>6,401</b>
<b>Net book value</b>		
At the end of the year	<b>2,409</b>	<b>2,409</b>
At the start of the year	1,296	1,296

## Notes to the financial statements

For the year ended 31 March 2023

## 12 Intangible fixed assets

	Website £	Total £
<b>Cost</b>		
At the start of the year	19,870	<b>19,870</b>
Additions in year	–	–
Disposals in year	–	–
At the end of the year	<b>19,870</b>	<b>19,870</b>
<b>Depreciation</b>		
At the start of the year	11,923	<b>11,923</b>
Charge for the year	3,974	<b>3,974</b>
Eliminated on disposal	–	–
At the end of the year	<b>15,897</b>	<b>15,897</b>
<b>Net book value</b>		
<b>At the end of the year</b>	<b>3,973</b>	<b>3,973</b>
At the start of the year	<b>7,947</b>	<b>7,947</b>

## 13 Debtors

	2023 £	2022 £
Trade debtors	1,056	4,692
Other debtors	422	3,500
Grants receivable	3,683	–
Prepayments	700	1,728
	<b>5,861</b>	<b>9,920</b>

## 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,034	24,473
Taxation and social security	–	5,246
Other creditors	2,178	3,568
Accruals and deferred income (note 15)	52,451	54,724
	<b>56,663</b>	<b>88,011</b>

## 15 Deferred income

	2023 £	2022 £
Balance at the beginning of the year	43,642	47,435
Amount released to income in the year	(43,642)	(47,435)
Amount deferred in the year	34,375	43,642
Balance at the end of the year	<b>34,375</b>	<b>43,642</b>

## Notes to the financial statements

## For the year ended 31 March 2023

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,409	–	–	2,409
Intangible fixed assets	3,973	–	–	3,973
Net current assets	64,719	39,950	65,510	170,179
<b>Net assets at 31 March 2023</b>	<b>71,101</b>	<b>39,950</b>	<b>65,510</b>	<b>176,561</b>

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	1,296	–	–	1,296
Intangible fixed assets	7,947	–	–	7,947
Net current assets	64,717	42,000	131,798	238,515
<b>Net assets at 31 March 2022</b>	<b>73,960</b>	<b>42,000</b>	<b>131,798</b>	<b>247,758</b>

## 17a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds:</b>					
Arts Council Wales (Engage Cymru)	90,720	82,830	(157,910)	–	15,640
Creative Scotland (Engage Scotland)	27,825	67,438	(56,749)	–	38,514
The Fleming Collection (Let's Create)		5,000	(5,000)	–	–
The Art Society (Let's Create Art)		3,000	(3,000)	–	–
Derek Hill Foundation (Let's Create Art)		5,000	(5,000)	–	–
Cardiff Value Health (Engage Cymru)		4,999	(4,999)	–	–
Arts & Business Cymru (Engage Cymru)		500	(500)	–	–
Alexandra Reinhardt Memorial award	2,221	–	–	–	2,221
MaxLiteracy Awards	8,713	–	(3,296)	–	5,417
Marsh Awards	2,319	2,100	(700)	–	3,719
<b>Total restricted funds</b>	<b>131,798</b>	<b>170,867</b>	<b>(237,155)</b>	<b>–</b>	<b>65,510</b>
<b>Designated funds</b>	<b>42,000</b>	<b>–</b>	<b>(21,546)</b>	<b>19,496</b>	<b>39,950</b>
<b>General funds</b>	<b>73,960</b>	<b>295,299</b>	<b>(278,660)</b>	<b>(19,496)</b>	<b>71,101</b>
<b>Total unrestricted funds</b>	<b>115,960</b>	<b>295,299</b>	<b>(300,206)</b>	<b>–</b>	<b>111,051</b>
<b>Total funds</b>	<b>247,758</b>	<b>466,166</b>	<b>(537,361)</b>	<b>–</b>	<b>176,561</b>

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 2023

## 17b Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
Engage Cymru	2,652	175,096	(87,028)	–	90,720
Engage Scotland	12,408	97,742	(82,325)	–	27,825
Alexandra Reinhardt Memorial Award	18,152	–	(15,931)	–	2,221
MaxLiteracy Awards	14,004	38,129	(43,420)	–	8,713
Marsh Awards	–	2,328	(9)	–	2,319
<b>Total restricted funds</b>	<b>47,216</b>	<b>313,295</b>	<b>(228,713)</b>	<b>–</b>	<b>131,798</b>
<b>Designated funds</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>42,000</b>	<b>42,000</b>
<b>General funds</b>	<b>75,178</b>	<b>329,116</b>	<b>(288,334)</b>	<b>(42,000)</b>	<b>73,960</b>
<b>Total unrestricted funds</b>	<b>75,178</b>	<b>329,116</b>	<b>(288,334)</b>	<b>–</b>	<b>115,960</b>
<b>Total funds</b>	<b>122,394</b>	<b>642,411</b>	<b>(517,047)</b>	<b>–</b>	<b>247,758</b>

## 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.

## 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).

Notes to the financial statements

For the year ended 31 March 2023

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.

Purposes of designated funds

**Project funding**

Planned expenditure on projects during 2021/22 was delayed due to changing circumstances, the pandemic and staffing changes. The trustees have allocated £39,950 to be used for projects during 2023/24. In particular this will be used for UK-wide 'New Routes' Diversity projects and to support Staff Costs

**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		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	–	–	122	677
One to five years	–	–	–	122
	<u>–</u>	<u>–</u>	<u>122</u>	<u>799</u>

**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.