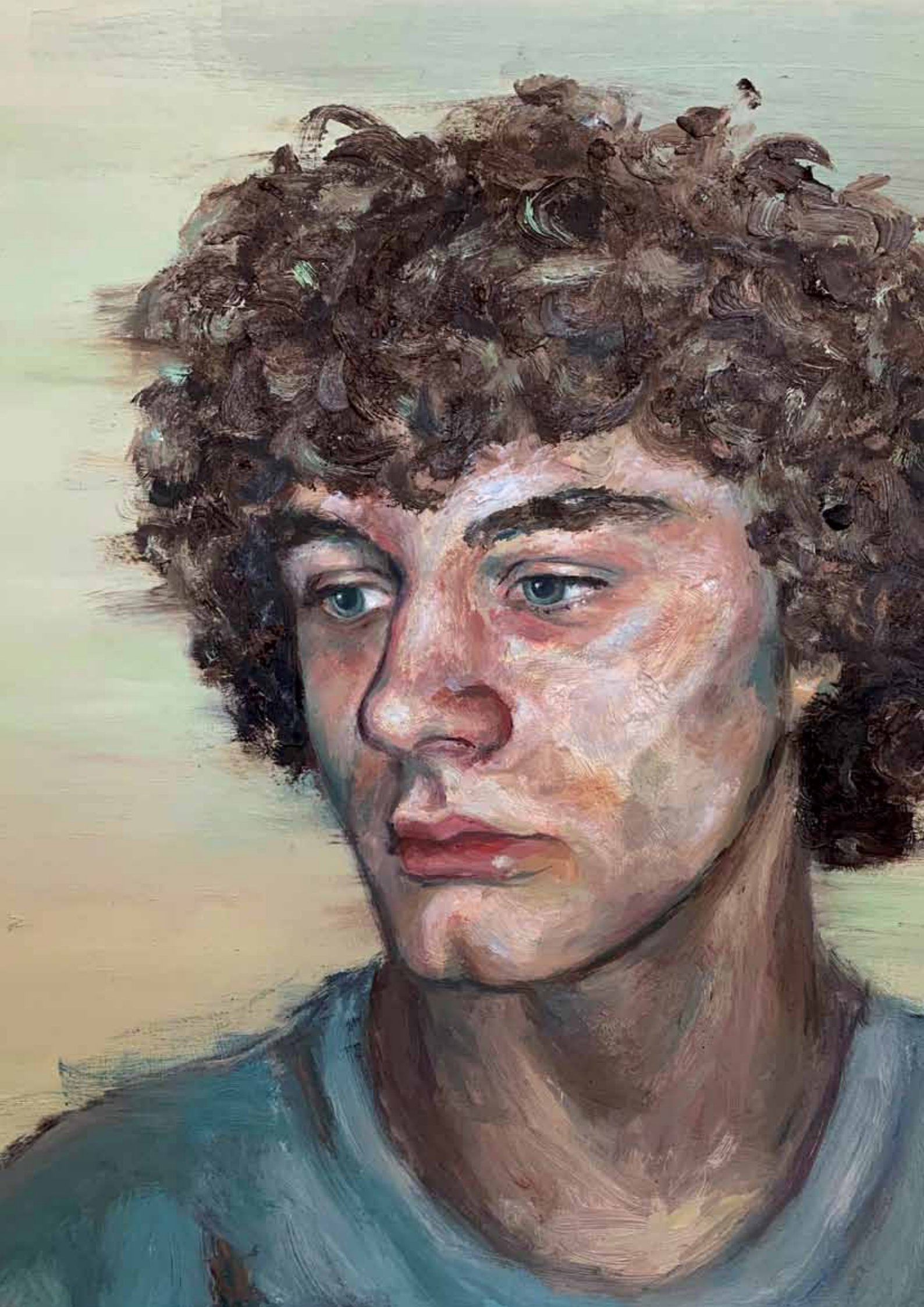





THE ARTS
SOCIETY

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020





ARTS FOR ALL

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The images in this report were kindly provided by our Member Societies, RBA Rising Stars
and participants of the Isolation Artwork Competition.

Design by Raffaele Teo @ Arteo Graphik

COMPANY INFORMATION

Patron	HRH The Duchess of Gloucester	
President	Dr Loyd Grossman CBE FSA	
Trustees	Chair	Julie Goldsmith
	Vice-Chair	Roger Duckworth
	Treasurer	Anthony Strachan MBA, FCG (<i>appointed 17 February 2021</i>) John Parkinson FCA (<i>reappointed 4 June 2020, resigned 5 March 2021</i>)
	Julia Charlton-Weedy Alison Galvin-Wright (<i>retired 4 June 2020</i>) Jennifer Harding - Edgar Caroline Houlden Peter Kirrage Ben Moorhead DL Sue Osborne (<i>appointed 4 June 2020</i>) Carolyn Trevor-Jones (<i>appointed 4 June 2020</i>) Jacqueline Varley (<i>retired 4 June 2020</i>) Liz Woods	
Chief Executive	Dr Florian Schweizer	
Company Secretary	Timothy Nicholls FCMA	
Principal Bankers	Royal Bank of Scotland plc Belgravia Branch 21-24 Grosvenor Place Belgravia London SW1X 7HN	
Solicitors	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH	
	Hewitsons Kildare House 3 Dorset Rise London EC4Y 8EN	
Auditors	Moore Kingston Smith LLP Chartered Accountants & Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD	
Investment Managers	Rathbone Brothers PLC 8 Finsbury Circus London EC2M 7AZ	





WELCOME FROM THE CHAIR

Julie Goldsmith
Chair
Board of Trustees
23 March 2021

On behalf of the Board of Trustees and our Management Team, I have great pleasure in sharing with you our Annual Report and Financial Statements for 2020.

True to our objects, The Arts Society is a leading charity promoting arts education, preserving artistic heritage and championing the advancement of arts, culture and heritage for public benefit. Our activities in the UK and beyond are based in local communities and coordinated almost entirely by thousands of committed volunteers running our network of Societies. We believe passionately that the arts are crucial to our wellbeing as individuals and to society and that belief has sustained us through the year that was 2020.

2020 could have been a catastrophe for us on so many levels. Our venues closed, live events virtually impossible and the 'at risk' age profile of our membership. Despite worst fears last March, this report chronicles how The Arts Society adapted and has managed to continue its work and promote our cause in the most difficult year in our history.

Sent home to work prior to lockdown 1.0 our dedicated Guilford Street team thankfully pooled their collective understanding of a digital word. How might it be

exploited at speed and affordably to engage our members and supporters? Our entrepreneurial volunteers quickly picked up and developed those ideas and after a short hiatus we were up and running again, making headlines in the process. Quite miraculous!

As ever, we extend our heartfelt thanks to all our volunteers and those who partner with us in our particular ecosystem. We acknowledge that it has been a tough year for all our stakeholders and thank you for your forbearance as we endeavour to make sense of a new world order. To our Trustees my personal thanks for your reasoned approach to decision making against a backdrop of huge uncertainty and ambiguity. Thank you to our members too for embracing so many new initiatives. Your warm and widespread appreciation has kept us all going, as has the continued and active support of our Patron HRH The Duchess of Gloucester.

I join in the many, many tributes paid by our members to our team who under the inspirational leadership of our CEO Dr Florian Schweizer have truly transformed our activities. Without the stealth and creativity of that small band I would be telling quite a different story. Their endeavours have touched the lives of many in the past year and clearly will continue to do so for some time to come.



THE ARTS
SOCIETY

REVIEW OF THE YEAR



TRUSTEES' REPORT

'THE PESSIMIST COMPLAINS ABOUT THE WIND; THE OPTIMIST EXPECTS IT TO CHANGE; THE REALIST ADJUSTS THE SAILS.'
WILLIAM ARTHUR WARD

ANNUAL REVIEW

Even before our 2019 Annual report went to press our 2020 plans were being unraveled in response to COVID-19.

The *Plans for the Future* section of last year's report was written early in 2020. It was full of optimism and purpose with a range of initiatives responding to the needs and aspirations of our Societies:

- Meetings had been arranged to share plans to explain the next steps in our brand redevelopment. Working with our newly appointed PR agency Midas, resources had been created to create a clearer and more unified sense of direction and purpose and to amplify our impact.
- Regional membership recruitment initiatives were ready to be rolled out.
- Work streamlining our governance and volunteering structure was drawing to a close
- Planning for the AGM to be held in Malaga was almost finalised, venues and flights booked.

But by early March 2020 the future for all of us was wracked with considerable uncertainty and clear that our lives would be subject to major disruption. From grant giving to funding, from marketing to governance, talks to study days, volunteering to socialising, Directory Day to the Malaga AGM, no area of our activities or indeed our personal lives, was left untouched.

Dazed as we were, we started to unravel plans in advance of the first UK lockdown. Our offices in Guilford St were shut down and our employees sent home to work. There they remain. Meetings were cancelled, including our beloved Directory Day and the AGM. Trustees and Management started to try and assess the impact on our immediate and not so immediate future. Like every other organisation we were in uncharted territory but decisions still had to be made. Closing down was not considered an option albeit advocated by some.

And thus, we had an extraordinary year. It was blighted by significant losses of commercial revenue which heavily subsidise our societies, but we mitigated as best we could through cost savings from cancelled events. We also gave back these savings to our member societies. Further details of the financial challenges faced are reported in Notes to the Financial Statements. Our Treasurer John Parkinson, Tim Nicholls, Finance & Resources Director and the members of the Audit Committee are to be congratulated on the additional scrutiny that our finances have needed and will require for some time to come.

On a more optimistic note, we transformed how we deliver our arts education programme. Thanks to a series of IT developments our head office team were prepared and able to switch to a digital workplace. All of our business functions were supported by digital platforms which meant that fairly swiftly and affordably we were able to put in place an offering that continued to engage our members and supporters.



Initially the team set up our *Connected* website <https://www.connected.theartsociety.org/> This enabled our committee volunteers to engage with each other about handling the day-to-day issues thrown up by “business discontinuity” and it gave us a communication platform that has proved invaluable in navigating a period of significant transformation. Fairly swiftly it became the “go to” forum for shared learning, moral support, education and entertainment. As that evolved, we geared up for live lectures on Zoom, organised centrally and locally by our inspiring committees across the world.

Training sessions were quickly set up for those pioneering with Zoom. Close to 4,000 attended live training sessions and thereafter over 6,400 took advantage of the training videos we created. Tentative steps were taken by committees, first holding meetings and then an astonishing migration to locally organised online talks and lectures which have been widely appreciated across the globe. At the last count over 6,500 meetings had been held on Zoom and over 2,500 webinars.

Some intrepid Societies even held live lectures (legally) between lockdowns and in conjunction with their venues, went to great lengths to make members feel safe and welcomed and in Guernsey our newest Society was able to hold its inauguration in person.

Thanks to the entrepreneurial spirit of our employees and committees more than 300 societies continue to actively promote and advance the education of the public in the cultivation, appreciation and study of the arts online,

despite COVID-19. That would not have been possible without the unerring commitment of our lecturing community who have themselves had to adapt. Robbed of the 2020 Directory Day that is the annual showcase for their extraordinary talents we have worked with them to enable them to carry on working with us albeit at a much-reduced level. Their co-operation and tenacity is much appreciated.

Our volunteering activities in Heritage and Arts were also severely curtailed but thanks to the dedication and enthusiasm of our many volunteers, some still managed to progress projects. Our Heads of Volunteering share their successes and impact in the pages that follow. Their optimism and commitment is tangible and it is remarkable that volunteers have managed to carry on creating impact during the pandemic.

Back in late 2019 we had appointed a PR agency with a brief to build awareness of The Arts Society. The original plan of how to achieve that had to be shelved as it involved significant local input. However, our swift and pioneering migration to digital attracted significant media interest. Mainstream newspapers picked up on *The Arts Society Connected*. There was coverage on Sky News, BBC Radio 4 Today programme and 70 radio stations across the UK. This was followed by significant coverage of our *Isolation Artwork* Competition with coverage in Waitrose Weekend and on BBC Woman’s Hour. Never in our history have we achieved such levels of national and local press coverage and that gives us confidence that we can effectively promote The Arts Society to a wider audience post COVID-19.

To help Societies prepare for recruitment and retention of Members, staff, volunteers and consultants worked together to create training resources and recruitment tools. Whilst such efforts may not come into action until later in 2021, we are laying the foundations to be ready for the challenges ahead. Activities included the ongoing work of a Think Tank tasked with Membership strategies, the creation of a Membership Recruitment handbook, and the development of training modules which will be delivered in 2021. We have also emphasized the message throughout our communication that membership means more than just attending lectures: it is being part of a community that is loyal to the local Society and its committee.

Whilst our members and supporters continued to engage with the organisation online, the Trustee Board continued its governance role entirely via Zoom.

Regrettably our AGM, once scheduled for Teatro Cervantes in Malaga was held behind closed doors, 3 months later than planned and online.

Work on implementing recommendations from our 2019 external Governance Review continued through the work of a group set up to review the role and structure of Areas within our existing governance structure. Following extensive consultation with Societies final proposals will be shared with voting members in early 2021 and a vote taken on the proposals. This will conclude implementation of the 2019 Governance Review recommendations.

Our current strategy reaches the end of its shelf life in 2022. In anticipation of refreshing it, Trustees would have been consulting with Societies at the 2020 AGM. With so much uncertainty it was deemed prudent to delay strategic development plans.

There has probably never been a more challenging year in our 52-year history. A supreme effort has been expended by all to ensure continuity in our activities and we are unashamedly proud that we have made it thus far. It should not be underestimated either now or by future generations of members how incredible it is that collectively we have managed to unify and galvanise our diverse network of Societies.

Throughout this wretched pandemic we have demonstrated, at every level of our organisation our cultural beliefs and values. Pioneering, connected, welcoming and knowledgeable. Our individual members, our committees, our Area teams, our Trustees and our employees have all been aligned and focused on a single outcome, to protect our position as a leading charity in arts education and through our activities promote the wellbeing of our members, supporters and the wider public. It has been a rollercoaster but we have remained true to our cause and despite a widespread lack of technological skills have adjusted our sails and set to, innovating and staying connected along the way.

That was the year that was 2020.





VOLUNTEERING REVIEWS

HERITAGE VOLUNTEERS:

As the lockdown goes on, we continue to explore ways to provide alternative ways of working for our Heritage Volunteers, whilst keeping all the Area and Society Representatives up to date with new ideas and developments. Under the present conditions, there is a problem for many Heritage Volunteering projects – a large proportion of our projects take place inside buildings, libraries, museums, private or large houses, churches, often with limited working-space, so physical distancing is problematic, even with reduced groups. Once all these establishments closed their doors, the volunteering had to stop and to a large extent remain shut.

In the late summer, with some very hard work on the part of our host organisations, some projects managed to get back to work with reduced numbers in the groups, but after a few weeks had to stop again. We compiled a list of the projects that had managed to start again, not a very long list, but at least a good indication that, once conditions improve somewhat, we have a successful blueprint for how to go about getting back to work, and a small positive and hopeful sign for the future.

As well as place-based projects we have long-established teams working to digitise a wide variety of archival items; maps, and catalogues to name a few. Some of these have changed to remote projects, to be undertaken at home, and a few textile projects have also moved to working from home.

A project guiding outside at the Henry Moore Foundation was able to re-start.

Faced with lockdown, the team working at David Parr's House in Cambridge, has made a virtual 3D tour of this unique Grade Two listed house, now available to view.

We already have some new remote projects. The second project from the House of Lords archive, Book Trousers is remote. It involves making cut-out paper shapes to place on books with damaged or un-readable spines in order to facilitate identification. The paper and full kit are sent by post to volunteers who return the completed shapes the same way. There are 60,000 books to equip with these! This was so popular that after registering 100 volunteers, a waiting list was started.

Another suggested digital project was offered to us just before Christmas, for the Royal Philatelic Society of London. This entails helping to make archival materials from their extensive archive, available online for research purposes. We were able to get the information and preliminaries completed before the end of the year and the project started at the beginning of January. It is recruiting well and the Philatelic Society is already receiving the finished work back, ready for them to move it on to the next stage.

Since these remote projects are proving so popular, we will continue to try to expand our reach into this sort of work, to run alongside our hands-on projects. Not only can they continue under most circumstances, but are also available to the other branches of volunteering, and all members.

For the future, another new project has just been approved but is not yet running: digitising family Wills at Lydiard Hall.

With the new Inventories project that we had hoped to start properly last year, we hope in the future to extend this to small galleries and museums, or any institution where an internationally recognised way of digitally cataloguing and photographing a collection of items for security and to help identify in case of loss, would be useful.

Details about Inventories and the two new remote projects are available online in the Resources section of the Heritage Volunteer area. This covers details of the project and how to get in touch for anyone who would like to join one of them.

Whatever the new normal looks like, when we get there, we are trying to ensure that we get back successfully to Heritage Volunteering in interesting and beautiful places.

Hilary Olleson
Head of Heritage Volunteering Team

TRAILS OF DISCOVERY:

Trails of Discovery has responded positively to the challenges of 2020 and continues to provide interest and involvement for members. During the year thirty-four trails were worked on involving ninety-six members of The Arts Society. These members have been supported and guided by a network of Society, Area and National Team representatives. Trails connect members with each other, The Arts Society, and the wider public.

The latest addition to Trails of Discovery are two pioneering trails that have connected The Arts Society with Community Special Schools. Recognising the requirements of the students, bespoke formats for the trails were jointly developed between members of the school staff and the Trails of Discovery teams.

Six Town/Village trails were worked on in 2020. One of these was a trail created in partnership with Plymouth City Council as part of the Mayflower 400 Anniversary Celebrations. This trail, recognising the contribution of The Arts Society, was made available through the dedicated Mayflower 400 website.

Trails of Discovery initiatives in 2020 have included Neighbourhood Trails incorporating history, street art and culture, the use of QR codes to make trails more easily accessible to members and the general public, and further collaboration with the National Churches Trust to our mutual benefit.

The idea of Neighbourhood Trails is a self-guided walk around a local area noting points of interest. This type of trail is ideal for uploading to the local society website for the benefit of members and their families and advertised locally to the general public.

Trails of Discovery has re-visited the idea of using QR codes to make trails more easily and widely available.

Currently with the help of the staff at Guilford Street two strands of development are currently underway. The first is for QR code access to a download of a trail to a mobile device that can then be viewed. This format is appropriate for trails that do not require answers to questions, for example Neighbourhood Trails and Memory Trails. The second application of a QR code is to access an interactive trail on a mobile device where questions can be answered, and more information provided. These QR codes are displayed on posters placed in, for example, local information centres.

Working with the National Churches Trust we have been able to add links to more than eighty Children's Trails in churches through the 'Exploring Churches' page of their website. As a result of this we are in discussion with a Benefice in the North East regarding the creation of three Children's Trails, three Memory Trails and a Village Trail.

There are now over twenty Memory Trails either completed or in progress for the benefit of people living with dementia and their carers. The wording of Memory Trails was developed, and the format endorsed by Health Care professionals. These trails, as well as being available in the church, have been provided to local care homes and memory cafes.

Significantly a few trails have been helpful in supporting applications for National Lottery Heritage Funding.

Towards the end of 2020 a Trail Quiz was developed by members across all areas of The Arts Society from Cornwall to Scotland. The idea was for members to test their knowledge of their local area and discover interesting facts from across the country.

Aspirations for 2021 include further widening of the scope and subject matter of trails. If there is something to discover in either a location or area, then it can be made into a trail which not only provides interest and involvement for members but actively promotes The Arts Society to a wider audience. All our trails and posters show The Arts Society logo and a web address.

Pauline Stewart
Head of Trails of Discovery

ARTS VOLUNTEERING:

At the start of the New Year, we adopted a new name, Arts Volunteering, driven by the findings of the Volunteer Impact Report, our new name updates our remit and gives Societies the flexibility and freedom to widen their scope from working solely within Young Arts to a broader section of their local community. So, we started the year with great hope, renewed energy and vigour and a clear plan to re-launch our Volunteering efforts across the organisation.

Our annual sixth form art competition with The Royal Society of British Artists, RBA, at the Mall Galleries had a hugely successful opening in February with an almost full compliment of winning students, teachers and Arts Volunteering Reps from across the country making it to the



Private View in London. Will Gompertz, Art Critic, author and BBC Arts Correspondent talked to the students about their work and gave them much sage advice for their future careers.

With momentum for Arts Volunteering gathering pace and the Spring Area meetings in full swing the first COVID-19 Lockdown of 2020 was enforced and activity came to a disappointing full stop. Many Area and Society projects were put on hold or cancelled along with the spring round of grants, which further stalled a number of Arts Volunteering projects.

However, our Arts Volunteers are a resilient and enterprising bunch and it wasn't long before they had regrouped and reset for the year. Many projects were necessarily postponed as schools closed or at least closed to visitors, and when it became apparent that this would not be a short-term situation, Societies looked to their local communities and developed projects to support those in most need.

By adopting Zoom, many Areas were able to keep in touch, to support Society Representatives and suggest projects across the Area that could be progressed 'hands-off' by simply sending funds. Working virtually has actually been a huge positive in 2020 with greater attendance and engagement in meetings, often a greater spirit of teamwork has evolved as Reps feel supported and part of something 'bigger' in their Area.

The Autumn Arts Volunteering Area Co-Ordinator meeting was also held on Zoom with the biggest attendance ever for

such a meeting! The benefits for those Co-Ordinators living at distance from London was clearly demonstrated and the meeting encouraged all to keep in touch, share ideas and collaborate wherever possible or necessary.

An impressive number of Societies, across eight Areas, were quick to fund virtual arts workshops and lessons for schools. Many providing Zoom Arts Society lectures to schools, their own members isolated at home and even using the lectures as a recruitment tool for like-minded groups in their community.

A great many Societies funded additional art materials, equipment and musical instruments as the demands of working from home and COVID-19 hygiene measures meant that students could no longer share and needed their 'own' personal equipment.

Societies with long-standing programmes supporting school and community art competitions and exhibitions were nimble and creative in moving their shows online with impressive, professional results and often a wider scope and longer life-time than the original physical offer.

Societies were quick to fund and, in many cases, assemble, art activity packs which were distributed to those Lockdown families in most need often via food banks and local charities.

More than £10,000 was given by Societies as bursaries to young artists, musicians and craftspeople in 2020 giving them much needed financial support for the next stage of

their learning. Particularly important this year as many of the part-time job's students rely on to supplement their student loans have disappeared during Lockdown.

Numerous Societies funded local charities, galleries, museums, theatres and orchestras existing schools' programmes, many of which moved online providing vital continuity and connection for the talented, disadvantaged and vulnerable now at home. Societies recognising that they were providing not only top-quality arts projects but also essential funding support to their local institutions struggling with reduced budgets whilst at the same time experiencing increased demand for their services.

In May we ran a hugely successful Art in Isolation Competition inviting former RBA winners to submit a work produced during Lockdown on the theme of Isolation. Abi McGourlay's fabulous and original self-portrait, 'Brewing' was the clear winner and is now the striking image on the 2021 Membership card. The Arts Society's PR Agency gained a high level of publicity for the competition with, amongst other things, Abi being interviewed on Radio 4 Women's Hour.

In August our Sir Trenchard Cox Scholarship winner Gracie Oddie-Jones was able to take up her prize and visit Italy with Art History Abroad. Gracie said she had 'a life changing experience which revolutionised the way she now engages with culture and the visual world'. This award is a highlight of the AV year and gives a young person a unique opportunity to visit Italy and be immersed in some of the world's most incredible and important art and history.

I was delighted to celebrate Jenny Gilks, Wessex Area Young Arts Co-Ordinator, winning the Marsh Volunteering Award a really fitting recognition for Jenny's years of enthusiasm, dedication and hard work towards all things 'Young Arts' in Wessex and beyond. Jenny has developed a strong and creative Team of Arts Reps with boundless energy and a huge ambition to deliver the Arts to all schools in their area through the development of a bespoke and creative Continuous Professional Development, CPD, programme for Art teaching.

Jenny is so generous with her time and expertise locally and nationally and has been wise council and a sounding-board for me as I took on the role of Head of Arts Volunteering. We wish her well with her 'retirement' but know that she is always just a phone call away!

Looking forward to 2021 and the roll out of the vaccination programme I hope it will not be too long before normal service resumes with Arts Volunteering and we will be able to press the button on so many long awaited, postponed projects. In the mean-time we have proved ourselves resilient, flexible and creative, have made new contacts with local AV Team members and developed new partnerships with numerous local organisations and charities which will stand us in great stead for the challenges and opportunities ahead.

Cherry-Anne Russell
Head of Arts Volunteering

Between 1973-2020 Arts Society Church Recording volunteers completed the momentous task of recording the contents of over 2,000 churches. Working in small groups volunteers researched and documented the memorials, metalwork, stonework, woodwork, textiles, paintings, libraries, windows and miscellaneous items found in churches across the country. Church Records now reside with local record offices, Church Care, Historic England and the National Art Library at the V&A. These records have previously assisted with local fundraising, grant applications, insurance and research. Interesting past

finds have also been reported to The Royal Armouries, National Portrait Gallery and Royal Museums Greenwich to expand their own archives. We wish to offer our sincere thanks to Church Recorders past and present for their hard work and dedication to completing this amazing project.

From 2021 The Arts Society is no longer affiliated with Church Recording.

For information on The Church Recording Society please see – www.churchrecordingsociety.org.uk

2020

IN QUOTES

I can't tell you how very grateful I am for all the hard work the Society is putting into the lectures available via Zoom. You are all quite wonderful. Living on my own and missing the interaction with others, your efforts are a real lifeline.

Over the last few strange months, your lectures and e-mails have been such a treat.

Your monthly highlights are sunshine in the gloom!

I think we have finally arrived into the 21st Century!

With two webinars under our belt now, we're feeling much more confident about delivering online lectures. Thank you to all at The Arts Society for making online lectures possible for us and for your training videos and advice.

Whoever negotiated this deal with Zoom should be nominated for a knighthood!

I never knew of The Arts Society until I heard on the radio that you were putting free lectures online. I just wanted to say now very much I have enjoyed them all so far.

Joining The Arts Society two years ago when I retired is the best thing that I've done. I have so enjoyed all the lectures, which I have attended every month, including the recent ones on zoom.

Please pass on thanks again for all the support, information, live tutorials et al in response to our need for Zoom. Definitely one of Guilford Street's finest hours.



THE ARTS
SOCIETY

LOOKING
AHEAD
TO 2021

PLANS FOR THE FUTURE

“THERE ARE FAR BETTER THINGS AHEAD THAN ANY WE LEAVE BEHIND.”
C.S. LEWIS

Life is still shrouded in a veil of uncertainty which makes forward planning a fraught process. Nonetheless operational plans are in place and in 2021 they focus entirely on supporting our Societies as we are forced to adapt our modus operandi. Our future support of the Arts relies on the sustainability of our Societies.

We have to acknowledge that external forces will continue to impact on those plans for most of the year if not all. Our assumptions include no face-to-face activity until at least the third quarter of 2021. Our membership may reap the benefit of the vaccination programme early on but we have a duty of care to our employees who will not be eligible for some time to come.

Initiatives planned include:

MEMBERSHIP RECRUITMENT:

If COVID-19 permits, we shall deliver a range of recruitment initiatives comprising training, marketing and communications which can be leveraged by our local Societies. This is dependent on being able to re-activate our work through our PR agency Midas.

EXPANDING OUR TRAINING PROGRAMME:

Online training has been well received and effective. All key training modules will be re-devised as online activities. There is no in person training planned until at least the third quarter of 2021.

GENERATING MORE CONTENT:

Building on our recent learning and experience of delivering arts education we shall further expand our offering. We shall build on our Arts Society Connected platform with development driven by recent research amongst our members and supporters.

VOLUNTEERING “REBOOT”:

Re-engaging with our volunteering communities and working in a more integrated way we aspire to attract more to arts and heritage volunteering once they are able to connect again with host organisations and partners.

RELAUNCH OUR GRANTS PROGRAMME:

A scheduled activity in 2020 that was again railroaded by COVID-19. How we award our grants is currently under constant review as needs of potential recipients change. Our aim is greater impact, awarding grants where the need is greatest.

Underpinning all this front-line activity will be a focus on rebuilding commercial revenue streams that critically subsidises all our work. With our membership, we shall also consider further how our learning and experiences of the past year can help us transform our arts education programme to extend our reach and impact in an increasingly virtual world.

2020 saw a significant change in how we operate. Technology and our expanding use of it has allowed us to engage



with each other, share learning and be inspired. We shall leverage that further as it enables us to communicate more effectively, strengthening the dialogue with our Societies. That increased connectivity will allow for more regular consultation, inform our activities and enable a better understanding of our governance.

An early indicator of this will be consultation with Societies after the AGM as Trustees under the direction of our new Chair, Julia Charlton-Weedy, will start to develop a refreshed strategy that responds to a much-changed world.

In the meantime, plans are underway for a replacement for our traditional Directory Day which showcases the expertise of our lecturing community. This year there will be a

celebration across a week at the end of March which will allow Programme Secretaries to continue planning for their Societies for the foreseeable future.

Regrettably a decision has already been taken to hold our AGM online in May 2021 but this year it will be open to members.

Having survived 2020 we can report that the pioneering spirit of The Arts Society is still very much alive and well.

To be continued...

STRUCTURE GOVERNANCE AND MANAGEMENT

OBJECTS OF THE ARTS SOCIETY

The charitable objects are:

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

STRUCTURE GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

TRUSTEE BOARD

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

APPOINTMENT OF TRUSTEES

The maximum number of Trustees is fifteen of whom a majority must be elected by the voting members and therefore up to seven may be co-opted. Trustees retire after completing a three-year term and are eligible to serve a further three-year term, but may not serve for more than six consecutive years in total. They determine policy and have ultimate responsibility for the activities of the charity. Trustees who served during the year are listed on page 02.

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

TRUSTEE INDUCTION AND TRAINING

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

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

The governing body is the Trustee Board, all of whom are

Directors, and who appoint one of their number as Chair and one as Vice-Chair. There are up to five Board meetings and generally one strategic planning session each year. Board Member attendance for 2020 was 91% (2019 – 92%).

The Trustee Board has set up a number of committees to which it has delegated authority for certain functions. The Audit Committee meets at least twice a year and is chaired by the Treasurer. Two members appointed by the Board and two members who can be nominated by the Advisory Council, sit on the committee.

An Investment Committee, which is also chaired by the Treasurer, meets at least twice a year to review performance and ensure that the investment policy as defined in the statement of investment principles is appropriate.

From 2020 the Nominations Committee was merged with the Remuneration and Conditions of Service Committee. The newly formed Nominations and Remuneration Committee will continue to meet at least once a year to review employment and remuneration policy and to recommend salary levels, taking into consideration employment market rates, performance and length of service. In addition, the Committee will consider the recruitment of co-opted Trustees and also the desired skills to be sought through the election process.

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

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

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

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

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

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

The Advisory Council comprises Area Chairmen, the Overseas Area Representative, the Volunteer Head of Training, and Chairman of the Support Team. The Advisory Council provides advice and recommendations on key issues referred to it by the Trustee Board and the Chief Executive, enabling the views of the widest possible number of stakeholders to be considered and is chaired by the Vice Chairman.

PUBLIC BENEFIT

From the review of activities, the Trustees are confident that they have demonstrated how they have complied with the duty of Charities Act 2011 to have regard to guidance published by the Charity Commission on the operation of the Charity for the Public Benefit. The guidance is fully borne in mind by the Trustees when setting the strategic plan.

RELATED PARTIES – SUBSIDIARY UNDERTAKINGS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

EQUALITY, DIVERSITY AND INCLUSION

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

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



GENDER PAY REPORTING

Although we are not required to report on gender pay under the *Gender Pay Reporting Regulations*, we feel that it is an important issue. We support equality through fair pay and our job evaluation framework has ensured that males and females at The Arts Society receive equal pay for work of equal value. However, small changes at senior and managerial levels can have a big impact on the pay gap in an organisation of our size. Overall, the gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive and the median gap at The Arts Society in 2020 was 42% (2019: 23% - the national average is 15.5%).

RISK MANAGEMENT

In accordance with the risk management policy set by the Trustee Board, a risk register is held. This lists the principal risks, both internal and external, to which the organisation is exposed and gives estimates both of the likelihood of the risk becoming a reality, the degree of impact that its occurrence would have on the organisation, likely causes, existing controls and new actions being taken to mitigate the risk. On-going review and appraisal of risk takes place through the Audit Committee which reports back to ensure that mitigating action is taken by the Trustee Board where a requirement is identified.

PRINCIPAL RISKS

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

The Trustees have specifically considered the impact of the coronavirus on the operations and whilst they consider that it does not impact the ability of the charity to continue as a going concern, the two key risks above have been amplified due to the ongoing situation. The Trustees are monitoring them very closely to both mitigate where possible and provide timely responses which can be deployed when necessary.

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

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

The generation of commission income will remain problematic due to the weighting towards travel partners. Actions are in place to strengthen existing relationships in

anticipation of the market reactivation, whilst also seeking to diversify away from the travel sector.

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

FINANCIAL REVIEW

RESULTS

The overall position on the General Fund for 2020 was a deficit of £7,058. A surplus on operating activities of £121,840 was generated through a savings programme combined with the delay and curtailment of planned activities. These savings were more than sufficient to offset the loss of budgeted commercial revenue through the two subsidiaries. After accounting for a small investment loss, an amount of £127,000 was used to create a new designated fund to directly support local Societies through a discount to the Affiliation Fee in 2021.

A breakeven budget has been set for 2021 with a savings target planned so as to ensure future sustainability.

INVESTMENT POWERS AND WORKING CAPITAL POLICY

Under the Articles of Association, the organisation has the power to invest in any way the Trustees choose. It is the policy of the Trustees to hold working capital on deposit with banks and building societies until such time as it is required to meet current expenditure. Long-term investments are managed by Rathbone Brothers Plc following an investment approach which is set out in the "statement of investment policy" (reviewed in April 2020). The policy looks to achieve an annual return of RPI + 3%. In addition to this holding, some funds are invested with CCLA in their Charities Income Fund thereby providing a useful benchmark.

RESERVES POLICY

The total fund balances at 31 December 2020 were £2,880,261 of which £2,038,071 relates to designated funds. There are currently no restricted funds held. The balance of £842,190 represents the free reserves of the group.

The group policy for 2020 on general reserve funds was to maintain a level of reserves equivalent to 6 months' operating expenditure. It is also the policy to maintain cash reserves equivalent to 2 months' operating expenditure. This is required to guard against any major unexpected event, which could result in a reduction in income or a degree of expenditure which could not be met from the normal cash flow.

Based on the budgeted operating expenditure for 2021 the current level of reserves represents 7.1 months' (2019 – 6.9 months) of undesignated expenditure, a level which is considered to be more than satisfactory with regard to the current assessment of the risk profile for the group. Cash reserves at 31 December 2020 were in excess of the target mainly due to the reduced expenditure in the year and receipt of members subscriptions in advance.

The reserves policy was reviewed by the Audit Committee in 2020, and will be reviewed again in 2021 so that the impact of the COVID-19 situation can be considered.

DESIGNATED FUNDS

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

- Grants: grant giving is designated separately from the General Fund. Two such funds existed in 2020 – the Patricia Fay Memorial Fund and the Zena Walker Fund.
- Redistribution and allocation: –designated funds are maintained for the Fares Pool (a subscription fund) which Societies then draw on to fund travel costs associated to the main national meetings, and the Affiliation Fee fund which was funded from savings made in 2020, and will be used to subsidise the Affiliation Fee in 2021.
- Development: during 2019 a designated Development Fund was created using previously received unrestricted legacies and donations to underpin the strategic priorities set by the Trustees.

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

REMUNERATION POLICY

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

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and then apply them consistently;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities SORP (FRS102).

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information..

AUDITORS

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

The Trustees
23 March 2021



THE ARTS
SOCIETY

AUDITORS' REPORT

AUDITORS' REPORT

OPINION

We have audited the financial statements of The National Association of Decorative and Fine Arts Societies (operating as “The Arts Society” for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements..

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial

statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151¹ of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed

risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

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

Devonshire House
60 Goswell Road
London EC1M 7AD

¹Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



THE ARTS
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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GENERAL 2020 £	DESIGNATED 2020 £	TOTAL 2020 £	TOTAL 2019 £
INCOME AND ENDOWMENTS					
Charitable activities					
Subscriptions and fees from members		1,204,073	73,345	1,277,418	1,280,454
Educational course fees and events	2	-	100,811	100,811	295,250
Investment Income		29,632	12,906	42,538	40,396
Donations and Legacies	2	8,771	6,549	15,320	167,040
Gift Aid		-	92,157	92,157	75,699
Other trading activities					
Trading subsidiaries income	3	184,922	-	184,922	320,121
Grant income		32,243	-	32,243	-
Other income		33,238	2,341	35,579	51,551
Total Operating Income		1,492,879	288,109	1,780,988	2,230,510
EXPENDITURE					
Raising funds					
Gift Aid - Societies' administration fees	2	-	25,122	25,122	25,893
Trading subsidiaries expenditure	3	317,237	32,000	349,237	454,814
Total cost of raising funds		317,237	57,122	374,359	480,707
Charitable activities					
Education courses and events	2	-	73,681	73,681	179,473
Education	2,4	226,060	76,038	302,098	248,790
Volunteering	2,4	299,342	-	299,342	381,360
Membership Services	2,4	528,400	79,386	607,786	1,029,338
Total Charitable expenditure		1,053,802	229,105	1,282,907	1,838,961
Total operating expenditure		1,371,039	286,227	1,657,266	2,319,668
Net operating income (expenditure)		121,840	1,882	123,722	(89,158)
Net gain / (loss) on investment assets	8	(1,898)	72,026	70,128	225,740
Net income (expenditure)		119,942	73,908	193,850	136,583
Gross transfers between funds	2	(127,000)	127,000	-	-
Net movement in funds		(7,058)	200,908	193,850	136,583
Total funds brought forward		849,248	1,837,163	2,686,411	2,549,828
Total funds carried forward	2,13	842,190	2,038,071	2,880,261	2,686,411

There are no recognised gains or losses other than those shown above.

All activities derive from continuing operations.

The accompanying notes form part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Notes	GROUP		CHARITY	
		2020	2019	2020	2019
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	789,938	772,871	789,938	772,871
Intangible assets	6	66,660	56,285	66,660	56,285
Investments	8	1,727,911	1,695,730	1,762,911	1,730,730
		2,584,509	2,524,886	2,619,509	2,559,886
CURRENT ASSETS					
Stock & work in progress		11,762	14,974	-	-
Debtors	7	98,288	141,543	31,443	69,418
Cash at bank and in hand		1,081,713	1,094,696	976,581	884,200
		1,191,763	1,251,213	1,008,024	953,618
LIABILITIES					
Creditors: Amounts falling due within one year	9	(932,384)	(1,089,688)	(859,884)	(998,952)
Net current assets / (liabilities)		259,379	161,524	148,140	(45,333)
LONG TERM ASSETS					
Debtors: Amounts due after more than one year	7	36,372	-	36,372	-
Net assets		2,880,261	2,686,411	2,804,021	2,514,553
THE FUNDS OF THE CHARITY					
Unrestricted funds		765,950	677,390	765,950	677,390
Non-charitable trading subsidiaries	3	76,240	171,858	-	-
Total General Funds		842,190	849,248	765,950	677,390
Designated funds	2	2,038,071	1,837,162	2,038,071	1,837,162
Total funds	13	2,880,261	2,686,411	2,804,021	2,514,553

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

The accompanying notes form part of these financial statements.

As permitted by section 408 Companies Act 2006, the company has not presented its own income statement and related notes. The Charity's surplus for the year was £289,469 (2019: £150,612)

Company registration number: 04307984

Approved by the Board on 23 March 2021 and signed on its behalf by:

Julie Goldsmith
Chair

Anthony Strachan MBA, FCG
Treasurer

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2020

	2020	2019
	£	£
Cash flow from operating activities		
Net cash provided by operating activities	31,274	(7,862)
Cash flows from investing activities		
Investment income and interest received	42,538	40,396
Proceeds from disposal of fixed asset investments	320,000	1,022,066
Acquisition of fixed asset investments	(282,053)	(1,022,066)
Payments to acquire tangible and intangible fixed assets	(88,369)	(71,490)
Net (decrease) / increase in cash and cash equivalents	23,390	(38,959)
Cash and cash equivalents at beginning of year	1,094,696	1,133,655
Cash and cash equivalents at end of year	1,118,085	1,094,696
Reconciliation of net income/ (expenditure) to net cash flow from operating activities		
	2020	2019 Restated
	£	£
Net (expenditure) / income including endowments	193,850	136,583
Adjustments for:		
Depreciation and amortisation charges	60,927	41,372
Net losses/ (gains) on investments	(70,128)	(225,740)
Investment income	(42,538)	(40,396)
(Increase) / decrease in stock	3,212	(3,042)
(Increase) / decrease in debtors	43,255	1,119,264
Increase / (decrease) in creditors	(157,304)	(1,035,904)
Net cash provided by operating activities	31,274	(7,862)



THE ARTS
SOCIETY

NOTES TO
THE FINANCIAL
STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The accounting policies remain unchanged from the previous year.

(a) COMPANY INFORMATION

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

(b) BASIS OF ACCOUNTING

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

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary

amounts in these financial statements are rounded to the nearest pound.

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

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

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

(d) INCOMING RESOURCES

Incoming resources arising during the year comprise membership subscriptions, educational course



income, donations, legacies and grants, investment income, income from subsidiaries and other income.

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

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

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

(e) RESOURCES EXPENDED

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the

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

Charitable Activities

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

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

Governance Costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to the Annual General Meeting, statutory audit, legal fees and Trustee meeting

expenses together with an apportionment of staff costs relating to the Chief Executive and Company Secretary.

Employee benefits

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

(f) FIXED ASSETS

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

Freehold land - not depreciated

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

Furniture, fixtures and equipment - over three to five years

Intangibles (including website and CRM) - over five years

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

(g) FIXED ASSET INVESTMENTS

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

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

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

(h) STOCKS & WORK IN PROGRESS

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

(i) INSURANCE

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

(j) CASH AND CASH EQUIVALENTS

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

(k) FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST

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

(l) FUND ACCOUNTING

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

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

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

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

(m) PENSIONS

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

(n) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2a. GROUP DESIGNATED FUNDS

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

	Patricia Fay Memorial	Zena Walker Bequest	Fares Pool	Property	Development	Areas	Affiliation Fee	Total
	2020 £	2020 £	2020 £	2020 £	2020 £	2020 £	2020 £	2020 £
Incoming resources								
Incoming resources from generated funds								
Voluntary income								
Subscriptions and fees from members	-	-	52,220	-	-	21,125	-	73,345
Gift Aid	92,157	-	-	-	-	-	-	92,157
Donations legacies and similar income	969	-	-	-	-	5,580	-	6,549
Educational course fees and events	-	-	-	-	-	100,811	-	100,811
Activities for generating funds								
Other income	-	-	-	-	-	2,341	-	2,341
Investment income								
Bank interest	3,827	-	-	-	-	126	-	3,953
Investment Income	7,489	1,464	-	-	-	-	-	8,953
Total incoming resources	104,388	1,464	52,220	-	-	129,983	-	288,109
Resources expended								
Costs of generated funds								
Costs of generating voluntary income								
Gift Aid - Societies' administration fees	25,122	-	-	-	-	-	-	25,122
Education courses and events	-	-	-	-	-	73,681	-	73,681
Charitable activities								
Education grants	24,040	3,000	-	-	-	48,750	-	76,038
Volunteering grants	-	-	-	-	-	-	-	-
Membership services grants	-	-	-	-	-	-	-	-
Commercial subsidiary	-	-	-	-	32,000	-	-	32,000
Membership services general	10,511	-	1,398	8,970	31,442	27,065	-	79,386
Total resources expended	59,673	3,000	1,398	8,970	63,442	149,744	-	286,227
Net income / (expenditure) before transfers	44,769	(1,536)	50,822	(8,970)	(63,442)	(19,761)	0	1,882
Transfers								
Gross transfers between funds								
Development Fund	(62,000)	-	-	-	62,000	-	-	-
Affiliation Fee discount 2020	-	-	-	-	-	-	127,000	127,000
Net incoming resources before other recognised gains and losses	(17,231)	(1,536)	50,822	(8,970)	(1,442)	(19,761)	127,000	128,882
Other recognised gains								
Net gains on investment assets	62,722	9,304	-	-	-	-	-	72,026
Net movement in funds	45,491	7,768	50,822	(8,970)	(1,442)	(19,761)	127,000	200,908
Funds brought forward	639,387	173,472	1,873	718,253	37,837	266,341	-	1,837,163
Funds carried forward	684,878	181,240	52,695	709,283	36,395	246,580	127,000	2,038,071

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

- i) **Patricia Fay memorial fund**
This fund, established in 1981, is administered by the Trustees. The main purposes of the fund are to provide grants, and also to fund developmental and strategic activities. The fund gains its income from investment returns, gift aid, donations and legacies.
- ii) **The Zena Walker bequest fund**
This fund derives from a bequest of £120,790 from Mrs Zena Walker and income generated is to be used for an annual scholarship which is administered by the Trustees. The capital of the fund is intended to remain and generate sufficient income to fund this annual scholarship.

- iii) **Fares Pool fund**
This fund was set up in 2013, it relates to income collected and claims made from societies. The fares pool had been established to enable all societies to attend the main meetings such as the Directory Day meeting and Annual General Meeting. Any profits generated by the fares pool will be retained by the fund to offset future contributions.
- iv) **Property Fund**
This designation represents the extent to which funds are invested in the property for the use by the Charity and are therefore not available for other purposes, and is intended to continue for the foreseeable future.
- v) **Development Fund**
The Development fund was established in 2019

to support the strategic development of the organisation. This encompasses several ongoing initiatives aimed at “better supporting Societies” and “better supporting the Arts”.

vi) Area Funds

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

vi) Affiliation Fee

The fund was created from savings made in 2020 and will be used to provide a discount to Societies in 2021.

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



2b. GROUP DESIGNATED FUNDS

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

	Patricia Fay Memorial	Zena Walker Bequest	Fares Pool	Property	Development	Areas	Total
	2019	2019	2019	2019	2019	2019	2019
	£	£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds							
Voluntary income							
Subscriptions and fees from members	-	-	52,080	-	-	27,055	79,135
Gift Aid	75,699	-	-	-	-	-	75,699
Donations legacies and similar income	42,381	-	-	-	-	9,650	52,031
Educational course fees and events	-	-	-	-	-	295,250	295,250
Activities for generating funds							
Other income	-	-	-	-	-	46,686	46,686
Investment income							
Bank interest	3,901	-	-	-	-	214	4,115
Investment Income	1,407	1,043	-	-	-	-	2,450
Total incoming resources	123,388	1,043	52,080	-	-	378,855	555,366
Resources expended							
Costs of generated funds							
Costs of generating voluntary income							
Gift Aid - Societies' administration fees	25,893	-	-	-	-	-	25,893
Education courses and events	-	-	-	-	-	179,473	179,473
Charitable activities							
Education grants	-	3,000	-	-	-	30,750	33,750
Volunteering grants	85,990	-	-	-	-	8,945	94,935
Membership services grants	350	-	-	-	-	1,190	1,540
Commercial subsidiary	-	-	-	-	46,000	-	46,000
Membership services general	9,885	-	51,459	3,930	71,163	80,655	217,092
Total resources expended	122,118	3,000	51,459	3,930	117,163	301,013	598,683
Net income / (expenditure) before transfers	1,270	(1,957)	621	(3,930)	(117,163)	77,842	(43,317)
Transfers							
Gross transfers between funds							
Creation of Development Fund	(155,000)	-	-	-	155,000	-	0
Net incoming resources before other recognised gains and losses	(153,730)	(1,957)	621	(3,930)	(37,837)	77,842	(43,317)
Other recognised (losses) / gains							
Net gains on onvestment assets	85,059	22,210	-	-	-	-	107,269
Net movement in funds	(68,671)	20,253	621	(3,930)	37,837	77,842	63,952
Funds brought forward	708,058	153,219	1,252	722,183	-	188,499	1,773,211
Funds carried forward	639,387	173,472	1,873	718,253	37,837	266,341	1,837,163

3. NET INCOME FROM TRADING SUBSIDIARIES

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

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

	NADFAS Enterprises Ltd		NADFAS Tours Ltd		Total	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Turnover	419,797	537,218	33,907	115,740	453,704	652,958
Cost of sales	(336,551)	(439,622)	-	-	(336,551)	(439,622)
Gross profit	83,246	97,596	33,907	115,740	117,153	213,336
Administration Expenses	(50,048)	(50,146)	(23,163)	(23,895)	(73,211)	(74,041)
Other income	20	195	-	-	20	195
Profit / (Loss) before taxation	33,218	47,645	10,744	91,845	43,962	139,490
Taxation	-	-	-	-	-	-
Profit / (Loss) after taxation	33,218	47,645	10,744	91,845	43,962	139,490
Retained profit brought forward	80,013	101,616	91,845	83,847	171,858	185,463
Gift aid distribution	(47,735)	(69,248)	(91,845)	(83,847)	(139,580)	(153,095)
Profit retained carried forward	65,496	80,013	10,744	91,845	76,240	171,858
Capital and Reserves						
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
Profit and Loss Account	65,496	80,013	10,744	91,845	76,240	171,858
Shareholders' Funds	70,496	85,013	40,744	121,845	111,240	206,858

Turnover of NEL (Company no 1923665) in 2020 includes £268,802 (2019 - £333,032) charged to The Arts Society for the publication of the magazine which is eliminated on consolidation.

Administration costs include apportioned charges paid by The Arts Society on behalf of NEL of £40,850 (2019 - £39,474) and of Tours of £19,675 (2019 - £19,374).

4. RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

	Group General 2020 £	Group General 2019 £
Salaries	571,842	608,227
Pension contributions	50,225	53,571
Social Security costs	61,001	63,221
Redundancy costs	-	55,295
	638,068	780,314

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

	2020 Number	2019 Number
£70,000 - £79,999	1	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 2 (2019: 2). These pension contributions totalled £15,957 (2019: £15,339)

b) STAFF NUMBERS

The average number of staff employed was 13 (2019: 15) and the average number of full-time equivalent employees (including casual and part time staff) during the period was as follows:

	2020 Number	2019 Number
Education	1	2
Volunteering	3	4
Membership Services	9	9
	13	15

c) TRUSTEE AND KEY MANAGEMENT PERSONNEL

A total of £3,828 (2019: £31,111) was reimbursed to 8 (2019 -12) Trustees in the year for travel and other incidental expenses.

None of the Trustees who served during the period received any remuneration for their services (2019 - £Nil).

Key management personnel include the Trustees, Chief Executive, Finance & Resources Director and Company Secretary. Total remuneration was £203,627 (2019: £192,092)

d) PENSIONS

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

e) AUDITORS' FEES

	Group 2020 £	Group 2019 £
Audit	18,775	18,143
Areas	942	912
Taxation services	2,070	2,000

f) DEPRECIATION

	2020 £	2019 £
Depreciation on owned assets	60,927	41,372

g) ANALYSIS OF GRANTS AWARDED IN THE YEAR

		Number 2020	Number 2019	Group 2020 £	Group 2019 £
Designated Funds	Education grants	41	29	48,998	33,750
	Volunteering grants	15	71	27,040	94,935
	Membership services grants	0	7	-	1,540
General Funds	Volunteering grants	25	27	3,037	3,276
	Governance and membership grants	2	26	535	9,885
		83	160	79,610	143,386

h) ALLOCATION OF SUPPORT COSTS AND OVERHEADS

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

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

2019	Education	Volunteering	Membership Services	Governance	Total 2017
	£	£	£	£	£
Costs directly allocated to activities					
Staff Costs	78,921	143,156	297,211	40,640	559,928
Staff and Volunteering expenses	9,149	27,642	62,331	47,157	146,279
Grants	-	3,276	-	-	3,276
Publicity and events costs	45,226	6,575	14,709	9,636	76,146
Legal and Professional fees (inc Audit fees)	-	-	-	25,254	25,254
Support costs directly allocated	3,499	1,831	19,542	3,741	28,614
Directly allocated Total	136,795	182,480	393,794	126,429	839,498
Support costs apportioned to activities by usage					
Staff Costs	34,739	46,341	184,577	-	265,657
Staff and Volunteering expenses	687	917	3,653	-	5,257
Information Technology	7,748	10,335	41,166	-	59,250
Publicity and Event costs	231	309	1,229	-	1,769
General Office	1,607	2,143	8,537	-	12,287
Premises	6,444	8,597	34,241	-	49,282
Stationery, Printing, Postage and Telephone	5,457	7,280	28,995	-	41,732
Depreciation	4,896	6,531	26,013	-	37,440
Governance costs allocated to activities	16,436	21,493	88,500	(126,429)	-
Support costs total	78,245	103,945	416,911	(126,429)	472,673
Resources Expended Total	215,040	286,495	810,706	-	1,312,171

5. TANGIBLE FIXED ASSETS

	Group & Charity Freehold Property	Group & Charity Furniture, Fixtures & Equipment	Total
Cost	£	£	£
As at 1 January	783,904	153,910	937,814
Additions in the period	25,200	30,417	55,617
Disposals in the period	-	(37,185)	(37,185)
As at 31 December	809,104	147,142	956,246
Depreciation			
As at 1 January	65,651	99,292	164,943
Charge for period	8,970	29,580	38,550
Depreciation written back on disposals	-	(37,185)	(37,185)
As at 31 December	74,621	91,687	166,308
Net book value:			
31 December 2020	734,483	55,455	789,938
31 December 2019	718,253	54,618	772,871

6. INTANGIBLE FIXED ASSETS

	Website
Cost	£
As at 1 January	79,131
Additions in the period	32,752
As at 31 December	111,883
Amortisation	
As at 1 January	22,847
Charge for period	22,377
As at 31 December	45,224
Net book value:	
31 December 2020	66,659
31 December 2019	56,285

7. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due in one year:				
Trade debtors	76,128	68,604	9,283	21,941
Other debtors	10,714	6,631	10,714	6,631
Prepayments & accrued income	11,446	66,308	11,446	40,847
Amounts falling due after more than one year:				
Prepayments & accrued income	36,372	-	36,372	-
	36,372	-	36,372	-
	134,660	141,543	67,815	69,418

8. INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Unrestricted Funds				
Unlisted investment - at cost				
Subsidiary companies:				
• NADFAS Enterprises Ltd	-	-	5,000	5,000
• NADFAS Tours Ltd	-	-	30,000	30,000
Listed Investments - at market value				
Rathbone Brothers Plc managed portfolio	1,070,046	1,085,495	1,070,046	1,085,495
Equity Units/Shares:				
CCLA COIF income units	657,865	610,235	657,865	610,235
	1,727,911	1,695,730	1,762,911	1,730,730

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Reconciliation of movement in investments:				
As at 1 January	1,695,730	1,469,990	1,730,730	1,504,990
Additions	282,053	1,022,066	282,053	1,022,066
Disposal proceeds	(320,000)	(1,022,066)	(320,000)	(1,022,066)
Net gains / (losses) on investments	70,128	225,740	70,128	225,740
Market value at 31 December	1,727,911	1,695,730	1,762,911	1,730,730
Historical cost	1,463,185	1,428,716	1,498,185	1,463,716
Reconciliation of movement in unrealised gains/ losses in investments, excluding subsidiaries:				
Unrealised gains at 1 January	267,014	323,687	267,014	323,687
Elimination of unrealised gains on disposals	(18,469)	(212,668)	(18,469)	(212,668)
Net (decrease) / increase arising on revaluations in the period	16,181	155,995	16,181	155,995
Unrealised gain as at 31 December	264,726	267,014	264,726	267,014

9. CREDITORS: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
General Funds:				
Trade creditors	13,797	2,043	4,899	1,617
Other creditors	1,039	978	1,039	978
Other taxes and social security costs	38,401	35,557	14,555	16,912
Accruals	42,020	58,118	42,020	32,543
Deferred income	269,038	289,570	229,282	243,478
Designated Funds:				
Loans - Patricia Fay memorial fund	548,420	607,420	548,420	607,420
Accruals	4,631	11,872	4,631	11,872
Deferred Income	15,038	84,131	15,038	84,131
	932,384	1,089,688	859,884	998,952

Charity deferred income for the General Fund at 31 December 2020 includes affiliation fees and insurance charges of £229,282 (2019 - £243,479) received in advance. Group deferred income in addition includes lecturers subscriptions of £39,756 (2019 - £46,092).

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

10. DEFERRED INCOME

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
As at 1 January	373,700	1,331,566	327,609	1,289,034
Amounts deferred during the period	284,076	337,700	244,320	327,609
Amounts released during the period	(373,700)	(1,331,566)	(327,609)	(1,289,034)
Balances carried forward as at 31 December	284,076	373,700	244,320	327,609

11. RELATED PARTY TRANSACTIONS

NEL charged The Arts Society £268,802 (2019: £333,032) for the production of the magazine. Staff costs totalling £40,850 (2019: £39,474) were recharged to NEL, and £19,675 (2019: £19,374) to Tours.

The group made purchases totalling £4,153 (2019: £5,888) from Hewitsons where one Trustee is a Partner.

12. ULTIMATE CONTROLLING PARTY

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

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General	Designated	Total
	2020	2020	2020
	£	£	£
Tangible fixed assets	55,455	734,483	789,938
Intangible fixed assets	66,660	-	66,660
Investments	641,671	1,086,240	1,727,911
Current assets	406,326	785,437	1,191,763
Creditors: amounts falling due within one year	(364,295)	(568,089)	(932,384)
TOTAL NET ASSETS	805,818	2,038,071	2,843,889

	General	Designated	Total
	2019	2019	2019
	£	£	£
Tangible fixed assets	54,618	718,253	772,871
Intangible fixed assets	56,285	-	56,285
Investments	881,528	814,202	1,695,730
Current assets	243,084	1,008,129	1,251,213
Creditors: amounts falling due within one year	(386,266)	(703,422)	(1,089,688)
TOTAL NET ASSETS	849,249	1,837,162	2,686,411

14. CAPITAL COMMITMENTS

There were no contractual obligations at 31 December 2020.

2020

IN STATS

6,598

Meetings and



2,629

Webinars on Zoom

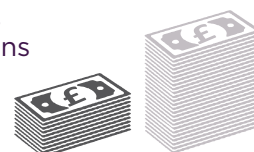


300

Societies using Zoom to hold online events

£240,000

saved for Societies through negotiations with Zoom



397,082

minutes of Society lectures hosted by the team



243

Lecturers able to deliver lectures online



Training videos received

6,437

views



3,787

devices attended live training sessions, up from 471 in 2019



2,500

devices attended three Town Hall meetings

57,440

new views on YouTube, increase of 2,082 subscribers



64,000

subscribers to mailing list, up from 15,000 in January 2020



12

Monthly Highlights and

24

Instant Expert emails sent to members



Bulletin open rates consistently high, between



75-90%

Monthly Highlights/Instant Expert open rates above

60%

industry average 26%

12

Bulletins and

10

additional email announcements sent to Committees



Click rates are

18%

for Monthly Highlights/Instant Expert and

30%

for Bulletin, industry average 2.95%



Website traffic increased to

334,522

users and

662,424

sessions, up from 175,423 users and 331,107 sessions in 2019





ENRICHING
LIVES THROUGH
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**THE ARTS
SOCIETY**

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