

**NATIONAL ASSOCIATION OF FLOWER
ARRANGEMENT SOCIETIES 2003**

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES
2003
(LIMITED BY GUARANTEED)
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LEGAL AND ADMINISTRATIVE INFORMATION

STATUS	The organisation is a charitable company limited by guarantee incorporated on 16 October 2003 and registered as a charity on 5 January 2004.
GOVERNING DOCUMENT	The company was established under Memorandum and Articles which established the objects and powers of the charitable company. The Articles were amended by General Meeting on 20 January 2015.
COMPANY NUMBER	4934904
CHARITY NUMBER	1101348
REGISTERED OFFICE/OPERATING OFFICE	Osborne House 12 Devonshire Square London EC2M 4TE
TRUSTEES:	Mrs Katherine Kear MDPF- Chairman (appointed Chairman 13 October 2020, appointed Vice Chairman 6 October 2020) Mr Michael Bowyer MBE (appointed 3 July 2020, retired 6 October 2020) Mrs Susan Castle (appointed 12 January 2021) Dr. Christina Curtis – Chairman (retired 13 October 2020) Mr Craig Bullock - Vice Chairman (retired 12 June 2020) Mrs Pamela Ferguson (retired 12 June 2020) Mrs Ann Harding Mrs Katharine Lee (retired 6 October 2020) Mrs Patricia Martin (appointed 3 July 2020, retired 6 October 2020) Mr Peter Mathers Mrs Ellie Meaking Mrs Nimala Williams (appointed 6 October 2020) Mrs Nicole Wylie (appointed 6 October 2020)
CHIEF EXECUTIVE OFFICER:	Mr Steven Lane
FINANCE OFFICER:	Mr Richard van der Graaf
AUDITORS:	TC Group The Courtyard Shoreham Road Upper Beeding West Sussex BN44 3TN
BANKERS:	National Westminster Bank PO Box 282 216 Bishopsgate London EC2M 4QB
FOUNDER PRESIDENT:	The late Mrs Mary Pope OBE VMH
NATIONAL PRESIDENT:	Mr Michael Bowyer MBE
LIFE VICE-PRESIDENT:	Mr Robin Herbert CBE VMH

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REPORT FROM THE CHAIR OF TRUSTEES

Despite all worries, extraordinary circumstances and world restrictions we are still viable and operating ever onwards. We are all under the same opinion that the Association is in a better position than we anticipated. Copious Zoom meetings have resulted in no travel or hotel claims, this has enabled us to function somewhat normally and run on a minimum budget.

There have been spotlights to enjoy, the fact we can still be in contact, challenges and competitions at all levels to keep us focussed, and above all the promise of returning to our club and Area meetings. Soon our head office in London, Osborne House, will be sold, and a new chapter begins. All along, our members will be kept informed, consulted where appropriate and soon able to once again enjoy our Associations full stability. Our priorities are to ensure this happens quickly and efficiently, to continue to take the Association forward with everything in place. This will enable us to start launching new initiatives and ensuring our charity status and infrastructure is facilitated. It is about delivering each year a stronger, viable and appealing Association that can grow with moving trends and deliver value and education.

In the 2020 audit report recommendations, it suggested that NAFAS would benefit from a review of it's governance structure and also our governing document, the Articles of Association. To comply with the recommendations we appointed Action Planning, a specialist consultancy for charities and other not-for-profits, and had the pleasure of working with consultant Ruth Dwight, who I thank for her time and thoroughness to the project. As a result we now have a sub committee dedicated to addressing the points raised. An additional committee was created to review the Charity's Articles and the voting members have voted in favour of adopting the new Articles. These two reviews have changed the way we govern our Charity, and will enable us to be more effective as a Board, which will benefit the members and supprters of our Association.

I would like to thank the staff team, our Standing Committees and Area Chairmen for all their hard work during this extremely difficult year. My special thanks go to my fellow Trustees and our National Presidents (past and present), who have gone over and beyond the expectations of their role.



Katherine Kear MDPF
National Chairman

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FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' REPORT (INCORPORATING DIRECTORS' REPORT)

The Trustees present their report together with the audited financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS 102), applicable law and the Charity's governing document.

The Charity prefers to be known by the acronym "NAFAS" and is a UK registered trademark no. 2109171.

Structure, Governance and Management

The Trustees are also the Directors of the Company for the purpose of company law. The Charity is a charitable company limited by guarantee and without share capital. In the event of the Company being wound up the liability of each member is limited to £10. It was incorporated on 16th October 2003. The purpose of its formation was to acquire the assets and undertaking of National Association of Flower Arrangement Societies, an unincorporated charitable association first formed in 1959. It is governed by Articles of Association and its objectives are to advance public education in the art of flower arranging and related subjects. The membership of the Company is comprised of 21 unincorporated Area Associations providing geographical representation throughout the United Kingdom and represented at meetings through a single elected representative for each Area. A network of more than 900 flower clubs are affiliated to the Area associations and their members form the affiliated membership of the Charity.

The National Officers form the Executive and comprise the Chair of Trustees and the Vice-Chairman. The Vice-Chairman normally serves for two years before becoming the National Chairman. The National President is a non-executive appointment selected by a panel. Life Vice-Presidents are appointed in recognition of outstanding service.

The day-to-day management of the Charity is the responsibility of the Chief Executive Officer. Salaries of all staff are reviewed annually by the Board of Trustees.

The Trustees, as stated on page 1, are appointed by the Voting Members and are eligible to serve for a maximum of 6 years. The Board meets at least four times a year, but during the pandemic, meetings were held weekly or fortnightly. The Board receives reports from the Charity's Standing Committees, who administer the operation of each facet of the Charity's objectives. One Trustee attends each meeting of the Standing Committees to ensure continuity within the reporting process. The Board of Trustees takes direct responsibility for the management of the assets and liabilities. Financial management including control and monitoring of budgets, is overseen by the Finance Sub Committee.

The National Advisory Council meets for a minimum of 2 and maximum of 4 times a year and comprises a single representative from each of the 21 Area Associations. They represent the affiliated members and act as an advisory body and as a forum for the exchange of views and information between the Board of Trustees and the affiliated members.

Trustees Induction and Training

New Trustees are invited and encouraged to attend training courses and seminars in order to brief them on their legal obligations. They are also introduced to the Charity Commission's own booklets and information bulletins. Funds are available to facilitate Trustee training in undertaking their role.

Subsidiary Company

The Charity's wholly owned subsidiary, NAFAS Enterprises Limited (company No. 1829011), undertakes fundraising through the publishing and sale of books, leaflets and booklets relating to flower arranging and the publication of The Flower Arranger magazine. Profits are transferred to the Charity through Gift Aid. The Board of Directors comprises the National Chairman, a Trustee of the Charity and two other non-salaried volunteers involved in the Editorial Committee, responsible for the publication of The Flower Arranger magazine.

Charitable Objectives and Activities

The Charity is established to:

- Advance public education in the art of flower arranging and related subjects
- Further any other charitable purpose or purposes

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The Charity's Activities are:

- Administration of NAFAS Courses in Floral Art & Design
- Attending and exhibiting at major shows and floral events
- A National Show where affiliated members may enter competitions and where both members and the general public may enjoy the floral arrangements exhibited
- Assessments of judges, demonstrators and speakers
- Encouragement to affiliated clubs to develop their memberships

NAFAS Vision, Mission and Values

The new Vision, Mission and Values were adopted in 2021 by the Board. A Strategy Team had been set up to specifically review and update the statements.

NAFAS Vision Statement

To improve the lives of everyone through flowers

NAFAS Mission Statement

Sharing the creative use of flowers through education, to bring joy and inspiration to all

We achieve this through:

- Welcoming everyone to our Association, events and shows by removing barriers to access
- Sharing our artistry, creativity, skills, experience and innovation
- Encouraging creative use of flowers to aid mental health, well-being and social interaction
- Developing imaginative and accessible promotional programmes and publications
- Providing the highest quality educational and training schemes and upholding their quality
- Supporting opportunities to develop skills through competitions and exhibitions at all levels
- Ensuring excellent organisational and commercial support for affiliated clubs and societies
- Establishing a culture where collaboration and sharing best practice is the norm
- Working closely with horticultural, trade and educational bodies with similar goals
- Continuous improvement to everything we do by embracing incremental change
- Regular renewal of our representation and plans to capture new trends and voices
- Minimising our impact on the environment

Our Values

- Ensure a friendly welcome for all, that embraces equality and diversity
- Ensure open and positive behaviours at all times in delivering our goals
- Make full use of the knowledge, energy and commitment of all of our Association's members
- Seek positive environmental sustainability in all our activities

Public Benefit

In establishing the annual objectives and activities which fulfil NAFAS overall aims, the Trustees have regard to the principles of public benefit at all times. The Trustees are aware of and have received copies of the Charity Commission's guidance regarding Public Benefit and have taken it into account, where relevant, in their planning and decision making.

The Objects set out clearly that the Charity is established to advance public education in the art of flower arranging and to further any other charitable purpose. It operates throughout the whole of the United Kingdom and strives to attract members from all age groups and ethnic backgrounds. The Association's exhibits at major floral and horticultural shows, including its own National Show, are seen and enjoyed by large numbers of the general public.

The Trustees are conscious that many of its affiliated members are elderly with some on low or fixed incomes. Although each club is autonomous with the ability to set its own membership fees, the affiliation fee to the Charity (which forms part of this) was raised to £6.10 for 2019 for each individual member through their club. While it is the Board's intention to continue small annual incremental increases, it was decided not to increase the affiliation fee in this financial year due to the impact of Coronavirus.

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The Association also provides direct membership at a cost of £45 per annum which includes a subscription to its quarterly magazine, The Flower Arranger. The cost of direct membership also remains the same until such time as it is deemed appropriate to increase. The Trustees take its commitment to public benefit extremely seriously, exemplified by the fact that the affiliation fee remains very low not wishing to exclude any member on economic grounds.

The Trustees believe that entry fees to shows and events and affiliation fees to members are set at such a low level as to ensure that all members of the public can afford them and therefore benefit from full enjoyment of the Charity's services. The affiliated Flower Clubs play an important role in raising money for other charities.

The Charity's members and the Area Associations, provide services to the general public too numerous to mention fully but include workshops where the public are invited to try their own skills at flower arranging, similar workshops for school parties and children with special needs, assistance to local churches to hold flower festivals to encourage the public to support their local communities and floral demonstrations at flower shows and events throughout the year.

Risk Management

Historically the risks identified by the Charity have been restricted to contractual obligations related to the National Show and other events. The Coronavirus, which began to have significant effects in the UK from late February 2020, has enhanced problems that the Trustees were previously aware of and created new risks to the Charity. Flower Clubs closed for most of the year with events cancelled or postponed.

Risks include:

- Club closures, several clubs will not reopen for various reasons including:
 - Members unwilling to attend club meetings again
 - Difficulty attracting members to sit on the club committee
 - Ageing membership
 - Difficulty in attracting new younger members
 - Increasing costs of premises and flowers
 - Closure of village and community halls where our clubs have met previously
- A decline in membership due to club closures.
- A decline in the number of Club and Area events due to Covid-19.
- The uncertainty of when our members will be prepared to resume normal club activities.
- A reluctance by members to travel. This will affect attendance at Area and National events.
- Judges, Teachers, Demonstrators and Speakers facing hardship due to a decline in the number of Area and National events being held. This may result in some looking at alternative careers.
- Judges, Teachers, Demonstrators and Speakers reluctant to travel and/or join large gatherings.
- Venues reluctant to provide flower clubs with reopening plans which makes it difficult for the club to plan ahead.
- Venues imposing stringent cleaning and sanitation rules, which will increase costs for the clubs.
- A drop in sales of trading goods and educational handbooks due to Areas and clubs unable to meet.
- Staff were furloughed which has raised concerns over wellbeing and had an impact on the running of the Charity.
- Club closures resulted in a drop in affiliation fees.

Evaluation of risk is constantly under review. Financial risks are managed by:

- Maintenance of reserves to be financially resilient.
- Insurance, where appropriate and cost effective.
- Regular consultation with the Charity's financial, legal and other professional advisers.

Internal risk controls are in place based upon dual authorisation of financial transactions. Employee and Third-Party Fraud insurance cover is also in force. The Trustees consider that a suitable balance is maintained between the level of risk and the effectiveness of controls.

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Achievements and Performance

For the first time in the Associations history, the AGM was live streamed virtually and attracted over 3,000 viewers, reaching a bigger audience than anticipated. The event was hosted by National Speaker Brenda Eyers and featured presentations from key NAFAS members and staff.

The pandemic and the lockdowns of 2020 restricted activities to virtual demonstrations and talks. These became more popular through the year, and we were pleased to see clubs and Areas continuing their work online, holding virtual council and executive meetings, keeping in touch with their members throughout the crisis.

In the absence of physical meetings, the Associations first virtual National Show was held in 2021.

Standing Committee Reports

National Judges Committee, Joan Magee, Chairman

I feel honoured to have become Chairman of the National Judges Committee in October 2020. The committee consists of Alan Beatty, NIGFAS who joined as Vice-Chairman; Christine Picton, East of England as Training Co-Ordinator, Lesley Sturdy, Home Counties and Debbie Wadge, Wessex & Jersey, social media.

It became very evident that committee members require other skills in addition to being a Judge. By this I mean experience in managerial, budgeting, technical computer knowledge and good interpersonal skills. When I accepted this position, I was unaware of what lay ahead. Maybe that is a good thing, but I am very happy to report the committee have worked extremely well together and have dealt with all the challenges encountered in a most competent manner.

In November 2020 Katherine Kear, National Chairman asked for my thoughts on NAFAS holding a Virtual National Show. I felt it was very important to support it and immediately agreed. The organisation of the National Virtual Show had a very tight time scale but we, as a committee, worked well together. The Schedule was produced and distributed in a short period of time; this was achieved by excellent teamwork and commitment. The committee were overwhelmed by the number of entries from all over the world. The feedback was encouraging and made all the hard work worthwhile.

Twelve National Judges willingly accepted the invitation to judge and produced excellent feed back to the competitors. A very noteworthy point is that a majority of the competitors had not entered a National Show before. I think that a National Virtual Show should be considered in the future as it gives everyone an opportunity to participate. It does not cause restrictions due to work commitments, financial reasons, mobility etc.

Due to lockdown the Judges committee meet at least once a month via Zoom. This has proved to be very successful. The Zoom meeting in January 2021 with the Board was very informative and emphasised how important it is to be open and transparent. It was so encouraging to remove the barrier and appearance of a hierarchy system. It highlighted how necessary it is to support each other and work together.

An Area Reps Day was held in February 2021 which proved very successful. Area Reps were encouraged to be proactive and think about virtual training for judges. They were advised that it is hoped to have a National Judges Test in either late 2022 or early 2023. An Adjudicators and Instructors Day was held in February 2021 with all assessors present. The Competitions Manual has not been updated since 2015. The committee hope to start working on this very soon.

The Judges Conference is planned for 2022. A very comprehensive and interesting programme is being planned. Events like this provide an opportunity to discuss anything encountered, whilst judging, with likeminded people. Training has been restricted due to the pandemic, but two very proactive Areas have been training virtually and tests will take place later this year.

Chris Picton finishes her term of office in October 2021, and we look forward to welcoming Ann Trigg to the committee. I would like to thank Chris for being a diligent member of the committee. I wish her every success in the future.

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National Demonstrators Committee, Elizabeth Graham, Chairman

The committee continued to hold meetings via Zoom. The inevitable cancellation of the National Demonstrators Test and Pre-National Assessment in April 2020 led to the re-booking of the hall and accommodation in Northwich, Cheshire which had to be re-scheduled in a Covid free hall in Gloucester, September 2021. The Demonstrators Symposium was scheduled for 2022.

In June 2020, the Extreme Conditions - Recommended Guidelines were rewritten, approved, and extensively distributed. Also, that month flow charts were produced on the cancellation of a demonstration from both the clubs and the demonstrator's point of view. Numerous emails have been sent largely suggesting that consideration and communication was the way forward with the proviso that Government legislation would always supersede any Guidelines, also that NAFAS is made up of different Areas with restrictions varying accordingly.

In July 2020 the uplifting, colourful Summer Demonstrators Bulletin was distributed and very well received and later in the year the Christmas Demonstrators Bulletin was circulated.

A recommendation to compile Zoom Guidelines was received, this was prepared and circulated in October. A list of demonstrators prepared to do Virtual Demonstrations was also compiled. A statement to demonstrators and a general request for consideration to fellow club members to re-book demonstrations at the time of cancellation was circulated.

During November online training commenced for candidates sitting the Pre-National Assessment and National Demonstrators Test. An Area Representatives meeting was held via Zoom in January 2021 which included the launch of the Demonstrators Symposium at the Telford Hotel & Gold Resort arranged for April 2022. This meeting also included a presentation on doing Virtual Demonstrations.

National Speakers Committee, Philida Irving, Chairman

Since the beginning of the nationwide lockdown in March 2020 the National Speakers' Committee has continued functioning. We have adapted to not meeting face to face and taken on board other forms of communicating for meetings such as Zoom to move our discipline forward. During the past twelve months we have welcomed two new members to the committee, discussed and completed the SWOT and Pest survey and produced a presentation on the 'Strategy for Speakers' and delivered it to the Trustees.

The committee have reviewed how Area Speakers are trained and have planned to introduce a modular training system. A Virtual Speakers' Area Representatives meeting took place where it was reported that several Area and National Speakers were giving virtual presentations to a variety of audiences. This enabled our speakers to reach wider audiences, not just flower club members, thus giving them an opportunity to explain the aims, purpose, and benefit NAFAS membership.

Area Speakers have benefited by the introduction of virtual training. Three National Speakers took part in the Virtual National Show. Their presentations on a variety of subjects showed different styles of presenting. Every 18 months a meeting is held with the Adjudicators and Instructors which stimulate useful discussion and an exchange of ideas; this year it was held virtually.

National Education Committee, Susie Barwick, Chairman

In October, a successful meeting was held with those involved with our Young People and an updated policy was passed to the Board. The Flower Arranger magazine now runs a dedicated section in the NAFAS News Supplement for Young People.

The Tutor and Moderators Training Day held in July involved discussions on the practicalities involved in completing the OCN/NAFAS Certificated courses prior to our coming away from OCN/Credit4Learning in March 2022. The floral design courses are no longer offered as there is insufficient time to complete them before this deadline. However, we agreed to allow new enrolments for the Level 3 Teacher Training Course provided they could be completed by December 2021.

The pandemic put many classes on hold but the following courses were completed:-

Level 1 : 22	Level 2 : 8	Level 3 : 1	Level 3 Teacher Training : 9	Total 40
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The committee have been steadily working on creating new modular courses to replace the NAFAS/OCN Credit4Learning Certificates in Floral Art and Design. These will be ready for approval by the end of June 2021 and a comprehensive strategy will also be addressed for their delivery.

The Basic Teaching Manual was launched as a digital download on the NAFAS website in February. A Zoom presentation of how to run the two-day course was given to all interested parties in April and almost every Area of NAFAS was represented. Permission was given by the participants to record the presentation section, and this meant the recording was available for one month to send to those who were not able to attend. We anticipate the courses to be launched from mid-June onwards.

In February we met with the Area Education Representatives via Zoom and had an unprecedented 100% turnout. Again, the new modular course was discussed, and we requested their assistance in delivering questionnaires to all tutors to try and establish an informal database that could be used to assist the delivery of the new courses. They were also informed of the Basic Teaching Manual and two-day course intended to go alongside it with a view to promoting it in their Areas.

A survey has been conducted via Area Education Representatives of all NAFAS Tutors to help us gather information pertinent to the new courses. We had about a 50% response (100) and have been able to ascertain interest in the tutoring of the new modular courses and willingness to train for moderation. We also asked for information on hall hire, expenses, and willingness to tutor via Zoom.

Publications have been put on hold, but the Committee are keen to produce a new book on techniques that could support an additional module. In the interim we are liaising with the National Judges Committee to include some of this material in the next edition of the NAFAS Competitions Manual.

Editorial Committee, Kathy Stangaard, Chairman

Despite the challenges of the pandemic, we were able to continue publication of The Flower Arranger magazine, which proved to be a lifeline for so many of our members.

All our photoshoots in 2020 were cancelled as were the RHS shows which made it difficult to fill our pages. It was sad not to have our usual in-depth report from Chelsea in the Autumn edition, but we successfully featured the 'Chelsea Then and Now' piece and had coverage of Virtual Chelsea.

The Flower Arranger magazine continues to be the market leader in our sector and I would like to thank all the club and Area Flower Arranger officers for all their hard work in distributing the magazine to their members during this difficult year. I am so honoured to have taken on the role of Editorial Chairman in January this year, and excited about the plans for the future:

- Our newly appointed social media company ensures that we are maximising our virtual reach.
- A meeting of the Area Flower Arranging Officers in January proved to be a very positive meeting and I look forward to working collaboratively with all of them.
- As RHS, County and Area shows restart again, we are making plans to take The Flower Arranger stand to as many events as possible in 2022.
- We have photoshoots in the diary and my thanks go to those Area Chairmen who continue to be supportive of the magazine.
- The magazine promotion in Morrisons stores was a success and I'm delighted that the magazine will once again be available in Hobbycraft stores.
- Christmas Cards featuring images from the magazine will be on sale this year, my thanks to the floral designers who so kindly allowed us their creations.

While so many established High Street titles have disappeared from the shelves over the past 18 months, the committee responsible for the Flower Arranger magazine is planning to increase the circulation and raise the awareness of the magazine to the general public and to NAFAS members. My special thanks to our Editor, Chloë Bryan-Brown and designer Amanda Hawkes and to the Editorial committee who continue to work tirelessly.

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Report on the 21 NAFAS Affiliated Areas

The past 12 months have been challenging for NAFAS, the 21 Areas and their clubs. Thrown into uncertainty by lockdown, decisions needed to be made on how to steer, successfully, through the Covid-19 pandemic. Communication was the answer, and the Areas have worked exceedingly hard and embraced the challenge of adapting to a virtual way of life.

Technology has been the saviour with the use of Zoom enabling communication between NAFAS, Areas and clubs. Areas have held Zoom Council meetings, demonstrations, speaker events, flower arranging workshops, anniversary events and photography competitions plus virtual shows. Home Counties found they had more members attending their virtual AGM than they would at a live event. In Three Counties & South Wales social media has proved successful in reaching out to members to prevent loneliness and social isolation through the benefits of flowers and floral art. Live demonstrations have taken place on Facebook and on Area YouTube channels. Wessex and Jersey Area produced 11 short videos with demonstrations, workshops, and a guide to judging which achieved over 32,000 viewings; riding on this success a further 6 Christmas themed videos were uploaded to their YouTube channel resulting in 14,000 viewings. South Midlands held a successful Flower Festival on YouTube which was adapted to music and filming rather than a static presentation. NIGFAS held a Virtual Afternoon Tea with over 200 attendees including Katherine Kear on her first official event as National Chairman. The North East produced a series of virtual garden visits available on YouTube.

Area Newsletters have been composed and distributed to Club Chairmen for dissemination to members ensuring members were kept abreast of news. Regular telephone calls between Area Chairmen and Club Chairmen have taken place thus keeping the lines of communication open.

Following the introduction of the Chairman's Challenge (one entry per Area) SAFAS encouraged their trainee judges to oversee and judge the Area entries consequently learning and gaining more experience. In a similar vein to the Chairman's Challenge Surrey Area set up 'Just for Fun' where non-competitive photographs were submitted and uploaded to their website

Monthly educational workshops have been organized by Berks, Bucks & Oxon consisting of tutorial sessions, participants created their own designs and submitted photographs which have been uploaded to their website. Delivery of the OCN teaching training course has been delivered to 44 students which included 34 from outside the Area. Berks, Bucks & Oxon are proud to advise they have 10 newly qualified teachers and Surrey reported 5 members passing the OCN teacher training course and 2 Area teachers accepted as national teachers. Mercia & North Wales have held weekly floral art demonstrations where their newly qualified demonstrators able to develop their skills and experience a different style of demonstrating. The Area judges' candidates have continued their training with tutorials, guidance, encouragement and support from Margaret Rumens and Jackie Charnock. Kent Area ran a number of teaching sessions covering topics such as the Elements & Principles of Design, Plants for Flower Arrangers Garden and Photography tips. Their highlight was a Virtual Advent Calendar which provided lots of inspiration for members.

To encourage new members, London and Overseas launched two initiatives: one giving people the opportunity to attend their first demonstration in London for free with a friend; the second providing finances out of Area funds to help support a London club promote themselves at a community event by offering hands on flower arranging opportunities with the offer of free tickets to attend a club meeting.

Volunteer involvement

The Charity relies on the support of its members who give many thousands of hours voluntarily to assist in the provision of services and activities. It is impossible to put a value on this support for which the Charity is very grateful and without which much of the work undertaken could not be achieved. The Trustees appoint functional and advisory committees, composed of experienced volunteers to assist in carrying out the work of the Charity.

Fundraising

The Charity does not actively undertake any fundraising directly from the general public.

Membership

Due to the pandemic, we were unable to gather the data on the number of affiliated clubs and members. At the last count, there were 44,829 members, however we are aware of some club closures which will impact on member numbers. We will have to wait until 2022, when it is expected that all our clubs will be open again, before we can accurately report on the full impact of the pandemic on the Association.

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Once we are back to "normal" there will be a great deal of work to do to in attracting new members, supporting our clubs, particularly those in deprived areas. Ageing membership, changing lifestyles and rising costs are common problems facing a number of charitable organisations, yet NAFAS, remains one of the best supported membership organisations in the UK.

Future Planning

We continue to work on a cash flow forecast for the remainder of the current financial year, ending March 2022. The sale of the Association's head office in Devonshire Square, London, is proceeding and is expected to complete in the Autumn 2021. A three-month leaseback is asked of any potential buyer, this will enable the staff to continue at Osborne House until the end of the calendar year and allow sufficient time to seek new temporary office space, near to the existing office.

The sale is expected to realise capital of £4.5M. The Trustees are aware that discussions with members about the future of the Charity and whether the Association needs a similar property investment will take time. Its geographical location and the impact on the staff are key elements of consideration. A period of 3 – 5 years is being allowed for these discussions, during which time the capital will be invested, using a highly reputable and recognised Investment Management Company. The Trustees have met with four such companies and it is expected to announce which company will be used at the Associations AGM in October.

Powers of Investments

The Articles of Association authorise the investment of the Company's funds or any part thereof in the purchase of such stocks, shares, securities or other investment or property of whatsoever nature as the Trustees, may in their absolute discretion decide. All investments are held in accordance with these powers. The Trustees do not have specific target returns on investment income although generally, they expect investment performance to reflect movement in the London Stock Exchange indices.

Financial Review

At the end of the financial year, the Association recorded a surplus of £31,999 (2020: deficit of £208,039) an improvement on the previous year and leaves the Charity with adequate reserves. A loan of £150K was taken out in 2020 under the Government backed Coronavirus Business Interruption Loan Scheme, repayments of £2,500 per month, start in September 2021.

Group Income

Consolidated income decreased by 43% to £517,988 (2020: £914,539). This is mainly due to a decrease in shows and assemblies.

Group Expenditure

Consolidated expenditure decreased by 57% to £485,989 (2020: £1,124,314), an improvement on the previous year.

Enterprises (Trading Subsidiary)

Turnover decreased by 22% to £257,613 (2020 £329,704).

Cost of sales and administrative expenses decreased by 35% to £220,893 (2020: £337,901).

Profit for the year totaled £36,720 (2020: loss of £59,936 including a donation to the parent charity of £48,737).

The results for the group for the year ended 31 March 2021 are shown in this summary of income and expenditure: -

	2021	2020
	£	£
Net movement in funds		
Unrestricted fund	28,810	(197,495)
Designated funds	(2,911)	(10,544)
Restricted funds	6,100	-
	-----	-----
	31,999	(208,039)
	=====	=====

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES
2003
(LIMITED BY GUARANTEED)
TRUSTEES' REPORT (INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

Reserves

An analysis of funds is given under note 20. The maintenance of adequate reserves underpins the Trustees' Risk Management policy as a counter against risks identified in the regular Risk Review. In view of the general historical reliability of the Charity's income streams, the Trustees consider that the Charity's general reserve, excluding fixed assets but including the value of marketable investments, should be maintained at a level sufficient to cover six months charitable operations expenditure and governance costs. At 31st March 2021 the level of free reserves (including designated funds) stands at £28,100 (2020; £2,939). It is recognized that the level of free reserves is outside of the current reserves policy. The upcoming building sale (expected to complete during the 2022 financial year) will significantly boost the charity's reserves position and rectify this issue.

Subsidiary Undertaking

NAFAS Enterprises Limited is a wholly owned subsidiary. It undertakes all trading activities and transfers the whole of its profit to the Charity by gift aid. Due to a change in accounting rules, the gift aid payable is not recorded as a liability in these accounts.

Accounting Policies

Accounting policies are disclosed on pages 20 to 22 of the financial statements.

Auditors

A resolution proposing the appointment of Auditors to the Charity will be put to the Annual General Meeting.

The Trustees' Report was approved by the Trustees' on 20 August 2021

BY ORDER OF THE BOARD



Katherine Kear MDPF
National Chairman

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES

2003

(LIMITED BY GUARANTEED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of National Association of Flower Arrangement Societies 2003 for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 group and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

**(LIMITED BY GUARANTEED)
INDEPENDENT AUDITORS' REPORT**

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

We have audited the financial statements of National Association of Flower Arrangement Societies 2003 for the period ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

**(LIMITED BY GUARANTEED)
INDEPENDENT AUDITORS' REPORT**

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 (LIMITED BY GUARANTEED) INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

Extent to which 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; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection regulation (GDPR); fraud, bribery and corruption and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standard would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

(LIMITED BY GUARANTEED)

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of TC Group

Statutory Auditor

Office: Steyning, West Sussex

Date: 15 September 2021

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2021

		General funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:	Notes					
Donations and legacies	3	23,432	2,044	16,100	41,576	4,124
Charitable activities:						
Affiliation & direct membership fees	4	214,100	3,866	-	217,966	236,071
Shows and assemblies	4	-	-	-	-	263,432
Other trading activities:						
Trading income	10	257,612	-	-	257,612	329,704
Investment income		23	-	-	23	1,900
Other		811	-	-	811	79,308
Total income		495,978	5,910	16,100	517,988	914,539
Expenditure on:						
Raising funds:						
Costs of trading subsidiary		220,893	-	-	220,893	337,901
Charitable activities:						
Operations	5	252,096	3,000	10,000	265,096	385,317
Shows and Assemblies	5	-	-	-	-	401,096
Total expenditure		472,989	3,000	10,000	485,989	1,124,314
Gains/(losses) on investments	13	-	-	-	-	1,736
Net income/(expenditure)		22,989	2,910	6,100	31,999	(208,039)
Transfers between funds	21	5,821	(5,821)	-	-	-
Net movement in funds		28,810	(2,911)	6,100	31,999	(208,039)
Fund balances at 1 April 2020		1,408,585	31,742	-	1,440,327	1,648,366
Fund balances at 31 March 2021		1,437,395	28,831	6,100	1,472,326	1,440,327

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	£	2020 £
Fixed assets					
Tangible assets	12	<u>1,438,126</u>			<u>1,437,388</u>
		1,438,126			1,437,388
Current assets					
Stocks	14	9,472		7,832	
Debtors	15	26,755		52,705	
Cash at bank and in hand		<u>334,436</u>		<u>211,048</u>	
		370,663		271,585	
Creditors: amounts falling due within one year	16	<u>(203,963)</u>		<u>(268,646)</u>	
Net current assets		166,700			2,939
Creditors: amounts falling due after more than one year	17	<u>(132,500)</u>			<u>-</u>
Total assets less current liabilities		<u>1,472,326</u>			<u>1,440,327</u>
Income funds					
Unrestricted funds:					
General funds	20	1,437,395			1,408,585
Designated funds	20	28,831			31,742
Restricted funds	20	<u>6,100</u>			<u>-</u>
		<u>1,472,326</u>			<u>1,440,327</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 20 August 2021



Mrs Katherine Kear (Chairman)

Company Registration No. 4934904

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	1,438,126		1,437,388	
Investments	13	<u>4</u>		<u>4</u>	
		1,438,130		1,437,392	
Current assets					
Debtors	15	50,985		57,706	
Cash at bank and in hand		<u>265,872</u>		<u>175,957</u>	
		316,857		233,663	
Creditors: amounts falling due within one year	16	<u>(198,683)</u>		<u>(242,530)</u>	
Net current (liabilities)/assets			118,174		(8,867)
Creditors: amounts falling due after more than one year	17	<u>(132,500)</u>		<u>-</u>	
Total assets less current liabilities		<u>1,423,804</u>		<u>1,428,525</u>	
Income funds					
Unrestricted funds:					
General funds	20	1,388,873		1,396,783	
Designated funds	20	28,831		31,742	
Restricted funds	20	<u>6,100</u>		<u>-</u>	
		<u>1,423,804</u>		<u>1,428,525</u>	

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 20 August 2021



Mrs Katherine Kear (Chairman)

Company Registration No. 4934904

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020
	Notes	£	£	£
Cash flows from operating activities:				
Net income/expenditure for the year		31,999		(208,039)
Depreciation of tangible fixed assets	12	7,336		7,763
Interest from investments		(23)		(1,900)
(Increase)/decrease in stock	14	(1,640)		15,168
Increase/(decrease) in creditors	16	(82,183)		(101,977)
(Increase)/decrease in debtors	15	25,950		146,694
(Gains)/losses on investments		-		(1,736)
Net cash provided by/(used in) operating activities			(18,561)	(144,026)
Cash flows from investing activities:				
Interest from investments		23		1,900
Bank loan received		150,000		-
Proceeds from sale of investments		-		49,582
Purchase of tangible fixed assets	12	(8,074)		(415)
Net cash provided by/(used in) investing activities			141,949	51,067
Increase/(decrease) in cash			123,388	(92,959)
Cash and cash equivalents at the beginning of the year			211,048	304,007
Cash and cash equivalents at the end of the year			334,436	211,048
		1 April 2020	Cashflow	31 March
		£	£	2021
				£
Cash at bank and in hand		211,048	123,388	334,436

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Statutory information

National Association of Flower Arrangement Societies 2003 (NAFAS) is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS102) and the Companies Act 2006.

NAFAS meets the definition of a public benefit entity under FRS102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account any potential impact of the COVID-19 pandemic. There are no material uncertainties about the group's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

2.2 Group financial statements

The financial statements consolidate the results of the charity, its wholly owned subsidiary, NAFAS Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

2.3 Income

All income is recognised in the Statement of Financial Activities once the group has gained entitlement to them and the amounts can be quantified with sufficient reliability.

Donations and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

Investment income is recognised in the financial statements when receivable.

2.4 Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is included within the item of expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in pursuit of its charitable objectives. It includes both direct costs and support costs relating to such activities. Support costs, including salaries, are apportioned on the basis of the time involved on the activity.

Governance costs include those costs associated with meeting the statutory requirements of the group and include the audit fees and costs linked to strategic management of the group.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	Straight line – over four years
--------------------	---------------------------------

Furniture and fittings	Straight line – over four years
------------------------	---------------------------------

Freehold land is not depreciated. The freehold building is depreciated over 100 years from the year after purchase and is subject to an annual impairment review. The building carries a Grade 2 listing and its useful life is expected to exceed 100 years.

2.6 Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.7 Stock

Stocks are valued at the lower of cost and net realisable value.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.10 Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.11 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.12 Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The charity contributes to employees' personal pension schemes. The pension costs charged in the financial statements represent the contributions payable during the year.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies (continued)

2.13 Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

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

Restricted funds are funds provided for a specific purpose that must be spent in line with funder's requirements.

2.14 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

3 Donations and Legacies

	General funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donation to WAFA Special Fund	-	-	-	-	1,000
Donations to Workshop Fund	-	-	5,000	5,000	-
Legacies	10,000	-	10,000	20,000	-
CJRS grant	7,605	-	-	7,605	-
Other	5,827	2,044	1,100	8,971	3,124
	<u>23,432</u>	<u>2,044</u>	<u>16,100</u>	<u>41,576</u>	<u>4,124</u>

4 Income from charitable activities

	General funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Affiliation and direct membership	214,100	3,866	-	217,966	236,071
Shows and Assemblies	-	-	-	-	263,432
	<u>214,100</u>	<u>3,866</u>	<u>-</u>	<u>217,966</u>	<u>499,503</u>

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Analysis of group charitable activities

	Total 2021 £	Total 2020 £
Staff costs	72,049	69,307
WAFA	1,050	12,266
Westminster Abbey Flowers	248	21,814
Chelsea Flower Show	19	20,876
Appointments' expenses	-	1,576
Sundry exhibition expenses	-	1,141
Insight magazine	-	3,970
Subscriptions	-	407
Committees:-		
Photography Committee	501	824
Judging Committee	-	4,541
Demonstrators Committee	-	4,823
Speakers Committee	-	4,792
Education Committee	1,513	7,077
Area Media Officers	607	13,734
SAFAS	10,000	-
Bad Debts	-	19,344
Support and governance costs	168,080	198,571
Shows and assemblies	-	401,096
Other activities	11,029	254
	<u>265,096</u>	<u>786,413</u>

6 Analysis of costs - 2021

	Direct costs £	Support costs £	Governance costs £	Total 2021 £	Total 2020 £
Charitable activities:-					
Operations	97,016	141,687	26,393	265,096	385,317
Show costs	-	-	-	-	401,096
	<u>97,016</u>	<u>141,687</u>	<u>26,393</u>	<u>265,096</u>	<u>786,413</u>
Raising funds:-					
Costs of trading subsidiary	217,593	-	3,300	220,893	337,901
	<u>314,609</u>	<u>141,687</u>	<u>29,693</u>	<u>485,989</u>	<u>1,124,314</u>

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Cont'd... Analysis of costs - 2020

	Direct costs £	Support costs £	Governance costs £	Total 2020 £
Charitable activities:-				
Operations	186,746	177,642	20,929	385,317
Show costs	401,096	-	-	401,096
	<u>587,842</u>	<u>177,642</u>	<u>20,929</u>	<u>786,413</u>
Raising funds:-				
Costs of trading subsidiary	337,901	-	-	337,901
Total	<u>925,743</u>	<u>177,642</u>	<u>20,929</u>	<u>1,124,314</u>

7 Governance costs

	Total 2021 £	Total 2020 £
Auditors' remuneration		
Audit	13,000	11,300
Other services	3,050	400
Legal and professional fees	13,643	-
Trustee's expenses	-	9,229
	<u>29,693</u>	<u>20,929</u>
Total		

8 Net income for the year

	2021 £	2020 £
This is stated after charging:		
Auditors remuneration:		
Audit	13,000	11,300
Other services	3,050	400
Expenses reimbursed to Trustees	-	9,229
Depreciation	7,336	7,763

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Comparative Statement of Financial Activities – Year ended 31 March 2020

		General funds £	Designated funds £	Total 2020 £
Income from:	Notes			
Donations and legacies	3	3,124	1,000	4,124
Charitable activities:				
Affiliation & direct membership fees	4	236,071	-	236,071
Shows and assemblies	4	263,432	-	263,432
Other trading activities:				
Trading income	10	329,704	-	329,704
Investment income		1,900	-	1,900
Other		74,825	4,483	79,308
Total income		909,056	5,483	914,539
Expenditure on:				
Raising funds:				
Costs of trading subsidiary		337,901	-	337,901
Charitable activities:				
Operations	5	369,290	16,027	385,317
Shows and Assemblies	5	401,096	-	401,096
Total expenditure		1,108,287	16,027	1,124,314
Gains/(losses) on investments	14	1,736	-	1,736
Net expenditure		(197,495)	(10,544)	(208,039)
Gross transfers between funds		-	-	-
Net movement in funds		(197,495)	(10,544)	(208,039)
Fund balances at 1 April 2019		1,606,809	41,557	1,648,366
Fund balances at 31 March 2020		1,409,314	31,013	1,440,327

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Subsidiaries

The wholly owned subsidiary NAFAS Enterprises Limited is incorporated in England and Wales (company number: 1829011). The subsidiary donates all of its profits to NAFAS.

The summary financial performance of the subsidiary is as follows:

	2021 £	2020 £
Turnover	257,601	329,638
Cost of sales and administration costs	(220,893)	(337,901)
Interest receivable	12	64
Net profit/(Loss)	36,720	(8,199)
Amount donated to the charity	-	(48,737)
Retained in subsidiary	36,720	(59,936)

The current assets and liabilities of the subsidiary were:

Current assets	91,814	71,716
Current liabilities	(43,287)	(59,909)
Total net assets	48,527	11,807
Aggregate share capital and reserves	48,527	11,807

11 Staff costs

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	4	4

Employment costs

	2021 £	2020 £
Wages and salaries	137,376	141,406
Social security costs	10,487	13,914
Other pension costs	14,282	654
	162,145	155,974

No employee received total employee benefits of £60,000 or more in 2021 or 2020.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Staff costs (continued)

The key management personnel of the charity comprise the Chief Executive Officer, The Secretary and the Administrative Secretary. The total employee benefits of key management personnel of the charity were £137,962 (2020: £131,330). This includes Employer's National Insurance and pension contributions.

None of the Trustees received any remuneration during the year.

12 Tangible fixed assets

	Freehold property £	Website design £	Furniture and equipment £	Total £
Cost				
At 1 April 2020	1,531,063	9,075	14,212	1,554,350
Additions	3,654	3,902	518	8,074
Disposals	-	-	(14,212)	(14,212)
At 31 March 2021	1,534,717	12,977	518	1,548,212
Depreciation				
At 1 April 2020	94,090	9,075	13,797	116,962
Charge for the year	5,987	416	933	7,336
Disposals	-	-	(14,212)	(14,212)
At 31 March 2021	100,077	9,491	518	110,086
Net book value				
At 31 March 2021	1,434,640	3,486	-	1,438,126
At 31 March 2020	1,436,973	-	415	1,437,388

13 Investments

	2021 £	2020 £
Group:		
Market value at 1 April	-	47,846
Additions	-	-
Disposals	-	(47,846)
Net unrealised gains/(losses)	-	-
Market value at 31 March	-	-
Charity:		
Add: Investment in subsidiary	4	4
	4	4

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Stock	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Finished goods	9,472	-	7,832	-
15 Debtors	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	15,580	8,418	24,549	549
Prepayments	11,100	9,380	19,055	17,336
Amounts owed form subsidiary company	-	33,112	-	33,794
Other debtors	75	75	9,101	6,027
	26,755	50,985	52,705	57,706
16 Creditors: amounts falling due within one year	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	10,755	3,820	23,602	6,482
Taxes and social security costs	7,187	12,081	14,938	14,938
Accruals and deferred income	165,324	162,085	217,645	208,649
Loans	17,500	17,500	-	-
Other creditors	3,197	3,197	12,461	12,461
	203,963	198,683	268,646	242,530
Deferred income analysis:	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 April	170,324	170,324	271,469	271,469
Released during year	(170,324)	(170,324)	(271,469)	(271,469)
Deferred in year	135,557	135,557	170,324	170,324
Deferred income at 31 March	135,557	135,557	170,324	170,324

Deferred income is in relation to affiliation fees received in advance.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003 NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Creditors: amounts falling due in More than one year	2021	Charity	2020	Charity
	Group £	£	Group £	£
Loans	132,500	132,500	-	-
	<u>132,500</u>	<u>132,500</u>	<u>-</u>	<u>-</u>

18 Bank loans

Bank loans are wholly repayable in instalments as follows:

	2021 £	2020 £
Due in less than 1 year	17,500	-
Due in 1 – 5 years	120,000	-
Due in over 5 years	12,500	-
	<u>150,000</u>	<u>-</u>

The loan is unsecured and repayable over 6 years. Interest is payable at 4.48% per annum after the initial 12 month interest free period.

19 Operating lease commitments

At the year end, the following commitments were in place in respect of operating leases:

	2021	Charity	2020	Charity
	Group £	£	Group £	£
Within one year	3,781	3,781	5,041	5,041
Within two to five years	<u>16,385</u>	<u>16,385</u>	<u>16,385</u>	<u>16,385</u>
	<u>20,166</u>	<u>20,166</u>	<u>21,426</u>	<u>21,426</u>

Lease payments recognised as an expense in the year totalled £5,041 (2020: £575).

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003 NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Analysis of net assets - 2021

	General funds £	Designated funds £	Restricted funds £	Total Funds £
Fixed assets	1,438,126	-	-	1,438,126
Current assets	335,732	28,831	6,100	370,663
Current liabilities	(203,963)	-	-	(203,963)
Long term liabilities	(132,500)	-	-	(132,500)
	<u>1,437,395</u>	<u>28,831</u>	<u>6,100</u>	<u>1,472,326</u>

Analysis of net assets - 2020

	General funds £	Designated funds £	Restricted funds £	Total Funds £
Fixed assets	1,437,388	-	-	1,437,388
Current assets	239,843	31,742	-	271,585
Current liabilities	(268,646)	-	-	(268,646)
	<u>1,408,585</u>	<u>31,742</u>	<u>-</u>	<u>1,440,327</u>

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003 NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of funds - 2021

	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds:					
General funds	1,408,585	495,978	(472,989)	5,821	1,437,395
Designated funds:					
WAFA Special Fund	14,741	2,044	-	-	16,785
Overseas Travel Reserve	10,451	3,866	(3,000)	-	11,317
Education Fund	5,821	-	-	(5,821)	-
Heritage Fund	680	-	-	-	680
Remembrance Fund	49	-	-	-	49
Restricted funds:					
Workshop	-	5,000	-	-	5,000
Calligraphy & Engraving	-	1,100	-	-	1,100
SAFAS	-	10,000	(10,000)	-	-
	<u>1,440,327</u>	<u>517,988</u>	<u>(485,989)</u>	<u>-</u>	<u>1,472,326</u>

Analysis of funds - 2020

	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds:					
General funds	1,606,809	906,150	(1,106,110)	1,736	1,408,585
Designated funds:					
WAFA Special Fund	18,285	1,000	(4,544)	-	14,741
Overseas Travel Reserve	17,451	4,483	(11,483)	-	10,451
Headquarters Heritage Fund	-	-	-	-	5,821
Education Fund	5,821	2,960	(2,177)	-	729
	<u>1,648,366</u>	<u>914,539</u>	<u>(1,124,314)</u>	<u>1,736</u>	<u>1,440,327</u>

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003 NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of funds – 2021 (continued)

Designated funds

The WAFA Special Fund was opened to enable “Best in Show” prize winners at future NAFAS National Shows to represent the charity at forthcoming WAFA World Shows.

The Overseas Travel Reserve provides for officials’ travel costs to the World Association of Flower Arrangers (WAFA) World Show, held every three years and for the charity’s annual subscription to WAFA. It is funded by an annual transfer from the General Reserve at the rate of 10p for each affiliated member.

The Education Fund was established in 2014/15 to enable NAFAS to provide financial assistance to educational projects. The unspent balance was transferred to unrestricted funds during the year.

The Headquarters Heritage Fund was opened to provide for the periodic refurbishment of the charity’s freehold premises, which is a Grade II listed building.

The Remembrance Fund consists of donations received in memory of members to be recorded in the book of remembrance.

Restricted funds

The Workshop Fund consists of a donation received for the refurbishment of a room at Head Office for floral workshops to members and the general public.

The Calligraphy & Engraving Fund has arisen as a result of donations received toward the engraving of the Associations trophies, showing winners of various competitions, and the calligraphy of framed pictures listing the Associations National Officers and Presidents.

The SAFAS Fund relates to a legacy receipt specifically to be passed over to Scottish Association of Flower Arrangement Societies.

22 Taxation

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 1 of the Corporation Tax Act 2010.

23 Related party transactions

The charity has taken advantage of Paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned subsidiaries.

During the year the charity paid £74 to Christina Curtis (previous trustee) in respect of proof reading. There were no other related party transactions (2020: none).