

Charity Registration No. 1110869

Company Registration No. 05460619

THE SOCIETY OF BOTANICAL ARTISTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

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THE SOCIETY OF BOTANICAL ARTISTS LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED OFFICE & PRINCIPAL ADDRESS	1 Knapp Cottages Wyke Road Gillingham Dorset SP8 4NQ
TRUSTEES	G S Cook A S Halsall (resigned 5 January 2021) L C Linder G L Sellwood S J Williams LS Doherty (appointed 13 November 2020) DP Marshall (appointed 13 November 2020) JR Patience (appointed 13 November 2020) CK Ward (appointed 13 November 2020)
COMPANY SECRETARY	P Henderson
PATRONS	Professor Sir G Prance Dr S Sherwood Mr Monty Don
BANKERS	Lloyds Bank Yeovil Branch 9 High Street Yeovil BA20 1RN
INDEPENDENT EXAMINER	E E Irvine WMT Chartered Accountants Verulam Point Station Way St Albans AL1 5HE
REGISTERED CHARITY	1110869
REGISTERED COMPANY	05460619
WEBSITE ADDRESS	www.soc-botanical-artists.org

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

The Trustees submit their report together with the independently examined accounts of the Society for the year ended 31 July 2020. This report constitutes a Directors' Report as required by the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements, comply with the governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2nd Edition effective January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society of Botanical Artists Limited is a company limited by guarantee and not having a share capital, incorporated in England and Wales on 23 May 2005 under Registration No 05460619.

The Society is also a charity registered in England and Wales, Registration No 1110869.

The Society is governed by its Memorandum and Articles of Association, as last amended in June 2020.

TRUSTEES

The following served as trustees for all or part of the year ended 31 July 2020.

G L Sellwood
S J Williams
A S Halsall
G S Cook
L C Linder

All trustees are elected for three years and then they must retire but are eligible for re-election. There is a maximum term of three consecutive terms of 3 years, after which a trustee must step except in exceptional circumstances.

Trustee induction and training

Potential trustees are usually co-opted for a year in the first instance prior to be appointed as a trustee. This is part of their induction and each person undergoes orientation to brief them on:

- Their legal obligations under charity and company law
- The Charity Commission guidance on public benefit
- The content of the Articles of Association
- The Council and decision-making processes
- The business plan and recent financial performance of the charity.

Subject to how this co-option works out, each individual is offered an appointment as a trustee for a three-year period, the co-option period counting as the first year.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

Organisation

The board of trustees administers the charity. The board meets periodically, around four times per year. The board works on an on-going basis via e-mail, telephone and ad-hoc meetings to ensure the charity is managed effectively and efficiently throughout the year and to ensure it delivers its corporate governance responsibilities. Whilst it was hoped to have sub-committees in place, instead it was decided to keep the work with the whole trustee group as the majority of the work has been strategic - to refine the proposals to change the membership structure. Therefore, while it remains an idea to have sub-committees in place in due course this will not be until after the strategic work has been refined and implementation of that and new exhibiting arrangements have been put in place. This reflects the limited resources within the voluntary trustee group but does mean that the whole group is involved in all the work, which is ideal and necessary to the shorter-term strategy of the Society.

Day to day tasks are performed by the Executive Secretary and other tasks of management and leadership are performed by various members of the team of trustees, led by the Co-Presidents, and the Director of the Distance Learning Diploma Course ('DLDC'). Further paid administration or management support has been funded. Going forwards the executive role will be subsumed within a new manager role. The current incumbent will move to spend about 80 to 90% of her time on DLDC work, as well as some accounting and record keeping pro tem.

OBJECTIVES AND ACTIVITIES

The purposes of the charity are:

- to advance the education of the public in aspects of the fine art of botanical painting or any allied art;
- the monitoring, evaluation and awarding of qualifications to practicing professional artists or those seeking such a qualification;
- applying a code of Conduct for Members;
- providing facilities for the exhibition of works by artists practising such art;
- promoting the protection, appreciation, conservation and nature of plants and natural habitats of plant life with special reference to endangered species.
- setting the standards within the industry across the UK as the society considers that it is the professional body for botanical artists.

The annual activities remain the promotion and fostering of knowledge and appreciation of the fine art of botanical painting or any allied arts by the provision of education. It is also clear that an overarching purpose of the Society is to be the professional body relating to the activity of Botanical Art. In this respect the Society assesses the work of applicants for the status of Fellow Membership, and that membership is awarded as a qualification, subject to the quality of the applicant's work and his or her standing in and contribution to the work of botanical art.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

ACHIEVEMENTS AND PERFORMANCE

During the year it was not possible to hold the open exhibition *Plantae 2020* at the Mall Galleries, as planned. This was solely because of the global coronavirus pandemic which became a major issue in early March 2020 the UK. At first it seemed likely that an exhibition could take place in early summer, however events moved very rapidly as the UK entered a national lockdown whereby it was clear that a physical exhibition was neither feasible nor physically possible given the restrictions. The council team rapidly pulled together, in conjunction with their online partner organisation 'OESS', an online show, converting the digital submissions system very swiftly into a huge online exhibition showcasing the best in botanical art. Widely renowned as the largest worldwide exhibition of its kind the Society broke new ground whilst also offering this to artists with no commission on sales. This was a goodwill gesture given that this was our first event of its kind and one where decisions had to be made rapidly and without any preplanning. The cost of the on line show was covered from within submission fees.

In very late February, and prior to the pandemic becoming completely overwhelming, the Council was able to hold a development conference, which was a combination of trustee development and training, and strategic planning for the future of the Society. Within a very few weeks some of the aspirations of the conference were mothballed given the emerging and rapidly evolving pandemic situation. Unprecedented times and completely new situations and challenges, meant that the Society needed to respond rapidly to find alternative ways of providing services to its members and exhibiting artists.

The work from the conference continues to be valid and is an excellent strategic development platform as the Society moves forward.

Following discussions with professional advisors to the society it was also decided that the membership structure continued to be a slightly uncomfortable fit. A decision was taken by council to cease Open Membership and replace this with a Foundation Membership which was solely targeted at recent graduates. While it had been hoped that Open Membership would provide a development membership for aspiring botanical artists, it attracted a wide range of individuals with varying needs, wishes and aspirations and the breadth of those requirements proved extremely challenging to a Society with very limited resources and support staff.

The concept of Foundation Membership is to provide a stepping stone for recent graduates to be able to keep connected with the Society, and in the hope that their work evolves to enable them to choose to apply for fellow membership. Whilst disappointed that we could not fulfil the plan for Open Membership, indeed Foundation Membership is a smaller, more predictable and more manageable membership level, we chose to be realistic about what we were able to offer. It was felt that having several categories of membership was not easy to support or to manage by a small, and predominantly voluntary, team.

As previously the support to professional fellow members of the society, as a professional body, has continued to be provided at a high standard. This includes circulating a number of opportunities to fellows, extensive communications and development ideas and a number of digital and print publications in our modern format. At time of writing the handbook for members has just been updated and reproduced.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

The 2020 digital exhibition covered its costs and it is likely going forward that the 2021 exhibition will also be a digital exhibition as the global pandemic continues to be a major factor in organising any collective events.

Distance learning diploma course 15 completed and graduated after some delays due to the pandemic in September 2020. Enrolment on course 17 in January 2020 was very acceptable; courses 16 and 17 were still in progress at the end of the financial year and student feedback remains good. The make-up of student applicants is predominantly from individuals for whom English is not their first language, based overseas. It is obviously a major endorsement of the course that there is a worldwide following and desire to participate. However, this also provides additional workload and complexity as quite often interactions with students are very time consuming, compared to those when the course was started nearly twenty years ago.

The co-president will be ending their term of office in summer 2021 after the digital exhibition has been completed. They expect to handover the leadership to the remaining members of council to organise amongst themselves the ongoing leadership of the society. Having streamlined a number of activities and provided a 'blueprint' for each area of activity, it is hoped that the tasks going forward will be manageable and enjoyable.

In addition, recruitment will take place for a paid manager role to support the council and the Society going forwards. In essence this role is about supporting the timetable of activities and initiating the tasks relating to those, as well as supporting the membership.

FINANCIAL REVIEW

Income generation

The Society's income for the year shows an increase in net income over expenditure, which is due in large part to changing the exhibition, and to managing costs associated with the exhibition as well as maximising income opportunities and setting a budget.

The Society's main sources of income were from: membership subscriptions; exhibition fees; donations; a small gift-aided donation from Botanical Enterprises Limited (from the exhibition held in June 2019) and the fees for the Distance Learning Diploma Course.

The surplus made from the Distance Learning Diploma Course is only used to finance the continuation and improvement of the courses and support other educational activities. Income from the Distance Learning Diploma Course is not used to support other activities of the charity.

The charity's wholly owned trading subsidiary, Botanical Enterprises Limited, generated a profit of £4,089 which was gift aided to the Society.

Investment policy

The Society has continued to adopt a risk-free investment policy. Funds not required in the short term are held on instant access deposit with the bankers.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

Resources expended

During the year there has been expenditure on the further changes to the Society's website. This will be an ongoing area of expenditure, as the website continues to represent the Society, both to members and students, as well as to the wider world. The website is the platform through which the Society gives information and also actions much of its work, from membership information, to database management and the digital application process for new Fellow members. In many respects the website is the public face of the Society, and so the importance of maintaining the website cannot be underestimated. It is expected that costs of website provision and maintenance will rise in coming years as this area becomes even more critical to the functionality of the Society.

The charity depends heavily on volunteer help, almost exclusively from Council members, as well as from a very small range of skilled Fellow members. This is headed by the Council, which consist wholly of trustees and co-optees. There are no employees: any goods and services which members are not able to provide are paid for. The administration and book-keeping for the general activities and the Distance Learning Diploma Courses is carried out on a fee-paying basis by an Executive Secretary who also acts as the Company Secretary currently. Additional areas of professional support includes website design, back office (web) support, accounting, VAT advice, publication design and printing to name but a few of the areas which must be paid for and bought in.

As stated, going forwards the Society intends to engage a manager to lead and coordinate the programme of work, membership services and support to the Council on a fee paying basis.

Reserves policy

The trustees have reviewed the reserves of the Society, following a discussion with Elizabeth Irvine of WMT. The review covered the nature of the income and expenditure streams, the need to match variable income with fixed commitments, and the nature of the reserves. The trustees concluded that the present level of unrestricted funds should be maintained to ensure the continued aims of the charity. The following was adopted as a reserves policy at the virtual AGM held in August 2020

That no activity be undertaken unless it can be supported by the financial reserves (in the dire event that the method of recouping any outlay on that activity was negated by unforeseen circumstances, such as Covid-19). This does not necessarily mean that all activities must be self-supporting, but that the trustees are explicitly aware of their responsibility that all costs may have to be covered if there is no revenue, and when 'cross-subsidisation' from other income may have to be applied. In effect this means that the trustees must check the financial situation of the Society every time there is a commitment to an activity – such as an exhibition – and can only proceed with that plan if there are sufficient funds to cover ALL the costs associated with that activity. Equally, the trustees will not seek to accumulate funds that are greatly in excess of the anticipated needs of the Society going forwards, or such as are needed to execute the plans of the Society, in accordance with any strategy agreed by the trustees.

The trustees continue to maintain that funds relating to the Distance Learning Diploma Courses should remain as designated funds. As at the 31 July 2020 the designated funds relating to the Distance Learning Diploma Courses amounted to £153,423 (2019 - £130,266). The purpose of the funds are to supply and facilitate education and are reinvested for the purpose of long term benefit and development of the diploma courses.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

Management Letter

The trustees note the content of the management letter in which it is suggested that there is insufficient allocation of costs against the DLDC-related activity. This is due totally to the complexity of DLDC management and delivery. The trustees have been advised that the DLDC does not adequately bear its costs and therefore there is currently an element of cross subsidy taking place from within by the SBA general fund. It is also proposed that the DLDC fund is building an inappropriate level of reserves and that a strategic plan for the use of this allocated reserve need so be developed in the next financial year.

Funds could be used to evaluate and reformulate (if required) the current DLDC format. This could be to support a Foundation programme, a digital programme of learning or professional artists development. It is not expected that this work could be supported by the current paid individuals. This would therefore require additional paid support to develop and deliver any new programmes of learning.

Risk management

The trustees are responsible for the overseeing of the risks faced by the Society. Detailed considerations of risk are delegated to the trustees. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken periodically.

Risk is managed under the headings of financial sustainability, health and safety of volunteers, artists and visitors to the exhibitions. Through the risk management processes established for the Society, the trustees are satisfied that the major risk identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

COVID-19

The Covid-19 pandemic continues to have a huge impact across the globe and the Society is no exception with various income streams and exhibitions being subject to significant disruption.

PLANS FOR FUTURE PERIODS

The Society continues to advance the education of the public by promoting the fine art of botanical painting by providing facilities for education, exhibition of works, and promoting the protection, appreciation, conservation and nurture of plants and natural habitats of plant life with special reference to endangered species.

Communication with Fellow Members has increased again with the use of a paid Mailchimp account. This will continue, and alongside social media (Facebook and Instagram) and the Society's website there is now a vast range of information and guidance available to Fellow Members and to the wider public as well. For example, there is now a link to a YouTube channel. These forums will continue to be developed and the website will be continually reviewed to ensure that it functions as well as possible and is reflective of the Society. The Council recognises that these platforms contribute to and form the organisation culture of the Society.

Opportunities for artist development through exhibition and sales of artwork and other related items will be actively pursued by the trustees. Such exhibitions are planned to be held in the future at appropriate venues. There will be further opportunities for continuing professional artist development as the Society rolls out a modest programme of activities; opportunities for paid teaching and paid commissions for Fellow members will be referred on to appropriately qualified members.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

PUBLIC BENEFIT

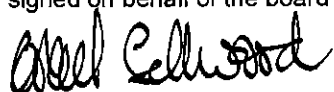
The trustees have complied with the duty in s17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission.

Details of activities undertaken to fulfil the public benefit requirement are noted throughout this report.

Small company exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

The trustees' annual report (incorporating the directors' report) was approved on^{24 February 2021}..... and signed on behalf of the board of trustees by:



G Sellwood
Director and Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SOCIETY OF BOTANICAL ARTISTS LIMITED

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of The Society of Botanical Artists Limited ('the charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charitable company, you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

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

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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


E E Irvine FCA
WMT
Chartered Accountants
Verulam Point
Station Way
St Albans
AL1 5HE

Dated 29 March 2021

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted & Total Funds 2019 £
Income and endowments from:					
Donations and legacies		11,326	5,000	16,326	6,272
Charitable activities:		190,312	-	190,312	212,645
Investments		206	-	206	214
Other		494	-	494	842
Total	3	202,338	5,000	207,338	219,973
Expenditure on:					
Charitable activities		(140,044)	-	(140,044)	(190,192)
Total	4	(140,044)	-	(140,044)	(190,192)
Net income		62,294	5,000	67,294	29,781
Net movement in funds		62,294	5,000	67,294	29,781
Reconciliation of funds					
Total funds brought forward		214,607	-	214,607	184,826
Total funds carried forward		276,901	5,000	281,901	214,607

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

BALANCE SHEET AS AT 31 JULY 2020


	Notes		2020 £	2019 £
FIXED ASSETS				
Tangible assets	7		-	250
Investments	8		1	1
			<u>1</u>	<u>251</u>
CURRENT ASSETS				
Stocks	9	800	800	
Debtors	10	60,673	29,243	
Cash at bank and in hand		<u>407,449</u>	<u>357,677</u>	
		468,922	387,720	
CREDITORS: amounts falling due within one year	11	(187,022)	(173,364)	
		<u></u>	<u></u>	
Net current assets			281,900	214,356
			<u></u>	<u></u>
Total assets less current liabilities			281,901	214,607
			<u></u>	<u></u>
NET ASSETS			<u>281,901</u>	<u>214,607</u>
REPRESENTED BY:				
Unrestricted funds	12		276,901	214,607
Restricted funds	13		<u>5,000</u>	<u>-</u>
			<u>281,901</u>	<u>214,607</u>

The directors and trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and no notice requiring an audit has been deposited under section 476 of the Act. The directors and trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Under the Companies Act 2006, on a voluntary basis, the trustees can amend the financial statements if they subsequently prove to be defective.

The financial statements were approved by the Board on 24 February 2021 and signed on its behalf.



G L Sellwood

Trustee

Company registration no. 05460619

Charity registration no. 1110869

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

a) **Basis of preparation**

The society meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (Second Edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with SORP 2015 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies (see note 2).

The financial statements relate to the society as an individual entity. The society and its subsidiary comprise a small group and therefore advantage has been taken of the exemptions in Section 139 of the Charities Act 2011 not to prepare consolidated financial statements.

The following principal accounting policies have been applied:

b) **Going concern**

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

c) **Tangible fixed assets**

Tangible fixed assets are capitalised in the accounts and stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives: -

Memorial recognition awards - 25% straight line

d) **Stock**

Stocks have been included at the lower of cost or net realisable value.

e) **Valuation of Investments**

Unlisted investments are initially recorded at cost, and subsequently carried at fair value.

f) **Debtors**

Short term debtors are measured at transaction price, less any impairment losses.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

h) **Financial Instruments**

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

Financial instruments are initially measured at transaction value. They are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the SoFA.

i) **Short term creditors**

Short term creditors are measured at the transaction price.

j) **Functional currency**

The financial statements are presented in Sterling, which is also the functional currency of the Society.

k) **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that it will be received and the amount can be quantified with reasonable accuracy. All income is gross without deduction for related expenditure. The following specific policies are applied to particular categories of income:

- Donation and legacy income is received by way of donations, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognized when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by the volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from exhibitions and distance learning diploma courses is included in the period it is receivable. Where income is received in advance of the delivery of the course it is deferred to the period that delivery takes place.

l) **Resources expended**

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it related:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs are for those functions that assist the work of the charity. They include office, finance and governance costs and have been allocated between the charity's activities on the basis of direct costs and reasonable apportionment.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriated basis.

m) Funds

Unrestricted funds are funds which the trustees are free to use for any purpose in furtherance of the charity's objectives. Unrestricted funds include gains and losses from the restatement of investment assets at market values.

Designated funds are funds which are unrestricted but are designated for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or through the terms of an appeal.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates

There are no key sources of estimation uncertainty that could have a material impact on the financial statements.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

3. INCOMING RESOURCES

	2020 £	2019 £
a) Donations		
Restricted	5,000	-
Unrestricted	1,734	677
From Botanical Enterprises Limited (note 6)	9,592	5,435
Friends of SBA	-	160
	<hr/> 16,326	<hr/> 6,272
b) Charitable activities		
DLDC fees	124,544	128,330
Mall Galleries exhibition	-	29,185
Submissions fees	15,078	15,795
Subscriptions – members and associates	24,162	23,684
Subscriptions - students	9,324	10,363
Subscriptions – open members	16,476	4,465
Palmengarten exhibition	-	2,006
Fellowship applications	728	1,241
Madrid exhibition	-	(2,424)
	<hr/> 190,312	<hr/> 212,645
c) Investment		
Interest receivable	<hr/> 206	<hr/> 214
d) Other		
Royalties	266	206
Commission	150	531
Licensing agreement	78	105
	<hr/> 494	<hr/> 842
Total	<hr/> 207,338	<hr/> 219,973

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

4. RESOURCES EXPENDED

	2020 £	2019 £
Charitable activities		
Exhibitions	3,348	38,856
DLDC expenses	82,527	104,558
Support costs	50,470	40,230
Governance costs	3,699	6,548
	<u>140,044</u>	<u>190,192</u>
Support costs		
General office	35,598	35,573
Insurance	1,820	1,594
Bookkeeping and related service	7,390	1,231
Consultancy fees	4,369	360
Bank and credit card charges	1,043	1,222
Depreciation	250	250
	<u>50,470</u>	<u>40,230</u>
Governance costs		
Accountancy and independent examination	3,000	4,531
Trustee expenses	699	2,017
	<u>3,699</u>	<u>6,548</u>
Support and governance costs allocated to DLDC	<u>18,861</u>	<u>7,371</u>

5. EMPLOYEES

The Society has no employees

6. TRUSTEE REMUNERATION, EXPENSES AND RELATED PARTY TRANSACTIONS

During the year 3 (2019: 4) Trustees were reimbursed for expenses amounting to £699 (2019: £2,107). The expenses incurred by the trustees were for travel, subsistence and accommodation.

During the year the charity paid fees to Simon J Williams and A S Halsall.

The fees paid to Simon J Williams were in relation to services supplied to the charity as the Course Director of the Distance Learning Diploma Course. The total amount paid for the year was £22,271 (2019: £21,703). The total amount is made up of £18,247 (2019: £16,587) for management of the Distance Learning Diploma Course, £2,672 (2019: £3,825) for services as tutor and £1,352 (2019: £1,291) for reimbursement of expenses.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

The fees paid to A S Halsall were in relation to membership secretary duties. The total amount paid for the year was £1,440 (2019: £nil).

In the previous year fees were paid to S Armitage in relation to services supplied to the charity as a tutor on the Distance Learning Diploma Course. The total amount paid for the current year was £nil (2019: £1,767).

The Society's subsidiary Botanical Enterprises Limited (BEL) gift aided its profits in the year of £4,089 to the Society in accordance with the deed of covenant signed on 21 February 2020. As the covenant was not in place as at 31 July 2019, BEL's profits paid under gift aid for 2019 of £5,503 could not be recognised by the charity until they were received in March 2020. The total income for profits paid under gift aid recognised in income this year was therefore £9,592 (2019: £5,435).

7. TANGIBLE FIXED ASSETS

	Memorial recognition awards £	Total £
COST:		
Brought forward	1,000	1,000
	<hr/>	<hr/>
Carried forward	1,000	1,000
	<hr/>	<hr/>
DEPRECIATION:		
Brought forward	750	750
Charge in the year	250	250
	<hr/>	<hr/>
Carried forward	1,000	1,000
	<hr/>	<hr/>
NET BOOK VALUE:		
At 31 July 2020	-	-
	<hr/>	<hr/>
At 31 July 2019	250	250
	<hr/>	<hr/>

All assets are used in the direct charitable activities of the company.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

8. INVESTMENTS

	Shares in group undertakings £
Cost brought forward and carried forward	<u>1</u>

The society owns 100% of the issued share capital of Botanical Enterprises Limited, a company incorporated in England and Wales whose registered office is at 1 Knapp Cottages, Wyke Road, Gillingham, Dorset, SP8 4NQ. Its principal activity is the sale of botanical art related goods.

Summary of its financial performance	2020 £	2019 £
Turnover	10,991	17,998
Expenditure	(6,902)	(12,495)
Net profit	<u>4,089</u>	<u>5,503</u>
Amount gift aided to the society	(4,089)	(5,503)
Retained	<u>-</u>	<u>-</u>
Current assets	5,290	6,454
Current liabilities	(5,289)	(6,453)
Net assets	<u>1</u>	<u>1</u>
Represented by		
Share capital	<u>1</u>	<u>1</u>

9. STOCKS

	2020 £	2019 £
Raw materials and consumables	<u>800</u>	<u>800</u>

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

10. DEBTORS

	2020 £	2019 £
Trade	40,005	24,965
Prepayments and accrued income	12,453	858
Amounts owed by group undertakings	4,089	-
Other debtors	4,126	3,420
	<u>60,673</u>	<u>29,243</u>

Prepayments and accrued income include a deposit of £11,520 (2019: Nil) paid to Mall Galleries in relation to the cancelled 2020 exhibition.

11. CREDITORS

	2020 £	2019 £
Amounts falling due within one year:		
Trade creditors	1,011	2,452
Amounts owed to group undertakings	-	2,000
Accruals and deferred income	186,011	168,912
	<u>187,022</u>	<u>173,364</u>

Accruals and deferred income include £177,689 (2019: £164,514) of deferred income. This relates to course fees paid in advance for the Distance Learning Diploma which are run over a three-year period.

Deferred income	2020 £	2019 £
At 1 August	164,514	157,994
Movement in the year	13,175	6,520
At 31 July	<u>177,689</u>	<u>164,514</u>

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

12. UNRESTRICTED FUNDS

	At 1.8.19 £	Income £	Expenditure £	Net Income £	At 31.7.2020 £
General funds	82,751	77,794	(38,657)	39,137	121,888
DLDC designated fund	130,266	124,544	(101,387)	23,157	153,423
Lucas memorial designated fund	1,590	-	-	-	1,590
	<u>214,607</u>	<u>202,338</u>	<u>(140,044)</u>	<u>62,294</u>	<u>276,901</u>

	At 1.8.18 £	Income £	Expenditure £	Net Income £	At 31.7.2019 £
General funds	70,898	90,116	(78,263)	11,853	82,751
DLDC designated fund	112,338	129,857	(111,929)	17,928	130,266
Lucas memorial designated fund	1,590	-	-	-	1,590
	<u>184,826</u>	<u>219,973</u>	<u>(190,192)</u>	<u>29,781</u>	<u>214,607</u>

The Distance Learning Diploma Courses (DLDC) designated fund arises from surpluses made in providing the DLDC courses and is used to finance the continuation and improvement of the diploma courses and support other educational activities.

13. RESTRICTED FUNDS

	At 1.8.19 £	Income £	Expenditure £	At 31.7.2020 £
People's Choice Fund	-	5,000	-	5,000

A new restricted fund was created during the year following a donation from Catherine Waterman. This fund is to be used to pay for an annual award, known as 'The People's Choice'.

This fund is held within current assets.

14. SHARE CAPITAL

The Society is a company limited by guarantee and has no share capital.

15. CONTROLLING PARTY

There is no controlling party in this or the prior year.

16. POST BALANCE SHEET EVENT

The Covid-19 pandemic continues to have a huge impact across the globe and the Society is no exception with various income streams and exhibitions being subject to significant disruption.