

Charity Registration No. 1110869

Company Registration No. 05460619

THE SOCIETY OF BOTANICAL ARTISTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS

PRINCIPAL ADDRESS	1 Knapp Cottages Wyke Road Gillingham Dorset SP8 4NQ
REGISTERED OFFICE	Verulam Point Station Way St Albans AL1 5HE
TRUSTEES	G S Cook (resigned 1 September 2021) L C Linder G L Sellwood (resigned 1 September 2021) S J Williams (resigned 20 September 2022) L S Doherty D P Marshall J R Patience C K Ward R Jiang (appointed 5 April 2022) K Katholing-Bloss (appointed 5 April 2022) N Morin (appointed 4 May 2022, resigned 20 September 2022)
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 Wicks 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 2022

The Trustees submit their report together with the independently examined accounts of the Society for the year ended 31 July 2022. 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 2022.

G L Sellwood
S J Williams
G S Cook
L C Linder
LS Doherty
DP Marshall
JR Patience
CK Ward
R Jlang
K Katholing-Bloss
N Morrin

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 down 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

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2022

- 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.

Organisation

The board of trustees administers the charity. The board meets periodically, around eight 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.

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ACHIEVEMENTS AND PERFORMANCE

Our membership is growing, we currently have 240 Fellows, 41 Foundation members and 85 DLDC students. Although largely UK based, over 40% of our members are overseas; we have introduced several benefits for members, to ensure both UK and overseas members can participate in SBA activities such as online educational talks and exhibitions.

We were fortunate to be able to hold an actual physical exhibition this year in June after the restrictions and lock downs of the previous years. This was our first exhibition as the new presidents, a new experience all round, and we were very grateful to previous Presidents and the SBA Council for their help, support and expertise with the hanging. In 2019 we took all three galleries, but in 2022 we only took 2 Galleries (West and North), which resulted in fewer pieces to select, and overall a very attractive looking exhibition. We received 547 submissions from 247 artists. However, the UK Government's requirements for overseas artists to register for VAT did mean fewer pieces from overseas.

This year we used virtual gallery software to arrange the layout of works - an effective way of visualising the exhibition. Overall, the quality of work was high, and we had a couple of stand-out pieces, which we displayed on the back wall which caught the eye as you entered the exhibition. In addition the RHS purchased one piece for the Lindley Library.

A number of art and design magazines were approached to publicise the event; we had excellent coverage in Artists & Illustrators, The Artist and Leisure Painter. We will be enhancing our marketing approach with the aim of increasing income from higher submissions, and approaching the exhibition we will use social media and direct marketing to attract more buyers to the exhibition.

Overall there was a deficit of around £10,000, so this will have to be considered for next year's show. We need to cut costs further or add income streams in order to make the show sustainable and fully viable.

Our virtual assistant has been with us for well over a year now, providing excellent administration support which frees up the DLDC team to concentrate on the DLDC. Debbie has sorted out all of the accounting responsibilities to keep everything running smoothly and efficiently and neatly tied up in place.

Zoom gave us a lifeline through the pandemic, allowing us to carry on with society business with our council meetings, DLDC seminars and Christmas events. This we have embraced and will carry on as I'm sure many organizations have; it definitely makes for a much more inclusive society and the chance to join in no matter where you live in the world.

This year we saw the start of our SBA talks also held via Zoom; these are free for SBA Members and in some cases the Talks are open to the general public who pay a small fee via Eventbrite. We view the Talks as Educational and the Speaker fees are paid from DLDC funds. These talks are accessible for not only UK members but also our overseas members.

All of the previous issues with subscription payments via the website have been sorted out by switching over to the Xero accounting system which is running very smoothly. Invoice and Payment approval processes have been streamlined and documented.

We have also added an online shop to the website and the Plantae 22 catalogue, and the Art of Nature books are being sold worldwide.

Submissions for new fellows are now adjudicated once a year through our website instead of twice a year, which also reduces the cost of administration. At the start of 2022 we had an impressive amount of new

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fellow applications with a total of 30 going on to be accepted as new fellow members, 10 of which were DLDC graduates.

The OESS platform used for Exhibition (Selection and Online Exhibitions) and Fellow submissions is being upgraded to improve navigation and selection.

Distance learning diploma course 17 completed and graduated after some earlier delays due to the pandemic. Courses 18 and 19 were still in progress at the end of the financial year and student feedback remains good. Applications for enrolment on course 20 for January 2023 were already being received. 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.

From recent feedback forms sent in by Course 17 students it is apparent that originally submitted assignments rather than digital is still the students' preferred way to have work assessed. This is encouraging news despite current trends for digital marking, the DLDC is still holding strong to one of its USP's.

FINANCIAL REVIEW

Income generation

The Society's income for the year shows a decrease in net income over expenditure, which is due in large part to reduced income from donations in the current year and increased expenditure on charitable activities.

The Society's main sources of income were from: membership subscriptions; a small gift-aided donation from Botanical Enterprises Limited 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 £714 (2021: £2,172) 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.

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.

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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 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 administration and book-keeping for the Society, 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.

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 trustees continue to maintain that funds relating to the Distance Learning Diploma Courses should remain as designated funds. As at the 31 July 2022 the designated funds relating to the Distance Learning Diploma Courses amounted to £141,618 (2021 - £158,470). 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.

Management Letter

The trustees note the content of the 2020 management letter in which it was suggested that there was 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 needs to be developed in the next financial year.

Several opportunities were taken in 2021-2 to utilise DLDC funds appropriately to support educational activities such as the costs of adding a DLDC Students' Gallery to the Online Plantae exhibition in 2021; speakers' fees for online SBA Talks and the costs of publishing and distributing the Plantae catalogue to members.

Speaker and venue fees for a series of educational talks and visits will also be covered through DLDC funds.

The Council has requested the Course Director to investigate options to evaluate and reformulate 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

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that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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.

In addition, the Society has offered members a schedule of online talks on relevant topics including professional development, botanical themes and new techniques and materials. In addition, the Society is investigating educational group visits to museums, exhibitions, botanical gardens etc. where possible.

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 22nd February 2023 and signed on behalf of the board of trustees by:



Diane Marshall
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 2022 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.

WMT
E Wicks ACA
WMT
Chartered Accountants
Verulam Point
Station Way
St Albans
AL1 5HE

Dated 14 March 2023

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:					
Donations and legacies		1,099	-	1,099	2,217
Charitable activities:		205,636	-	205,636	189,733
Investments		85	-	85	76
Other		457	-	457	299
Total	3	207,277	-	207,277	192,325
Expenditure on:					
Charitable activities		(223,202)	100	(223,302)	(175,344)
Total	4	(223,202)	100	(223,302)	(175,344)
Net income		(15,925)	(100)	(16,025)	16,981
Net movement in funds		(15,925)	(100)	(16,025)	16,981
Reconciliation of funds					
Total funds brought forward		294,132	4,750	298,882	281,901
Total funds carried forward		278,207	4,650	282,857	298,882

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BALANCE SHEET AS AT 31 JULY 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible and tangible assets	7	5,663	7,674
Investments	8	<u>1</u>	<u>1</u>
		5,664	7,675
CURRENT ASSETS			
Stocks	9	575	400
Debtors	10	53,204	51,154
Cash at bank and in hand		<u>430,624</u>	<u>452,573</u>
		484,403	504,127
CREDITORS: amounts falling due within one year	11	<u>(207,210)</u>	<u>(212,920)</u>
Net current assets		277,193	291,207
Total assets less current liabilities		<u>282,857</u>	<u>298,882</u>
NET ASSETS		<u>282,857</u>	<u>298,882</u>
REPRESENTED BY:			
Unrestricted funds	12	278,207	294,132
Restricted funds	13	<u>4,650</u>	<u>4,750</u>
		282,857	298,882

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.

The financial statements were approved by the Board on 22 February 2023 and signed on its behalf.



Diane Marshall
Director and 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 2022

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 and Intangible fixed assets**

Tangible and intangible 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
Computer software – 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 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

- 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

3. INCOMING RESOURCES

	2022 £	2021 £
a) Donations		
Restricted	-	-
Unrestricted	385	45
From Botanical Enterprises Limited (note 6)	714	2,172
	<hr/> 1,099	<hr/> 2,217
b) Charitable activities		
DLDC fees	144,103	148,210
Submissions fees	12,435	-
Subscriptions – members and associates	28,818	25,676
Subscriptions – students	8,454	8,708
Subscriptions – open members	-	4,536
Fellowship applications	1,225	675
Madrid exhibition	-	964
Mall gallery exhibition	9,748	-
Events and speakers	513	-
Book sales	340	-
	<hr/> 205,636	<hr/> 189,733
c) Investment		
Interest receivable	<hr/> 85	<hr/> 76
d) Other		
Royalties	206	51
Commission	146	143
Licensing agreement	105	105
	<hr/> 457	<hr/> 299
Total	<hr/> 207,277	<hr/> 192,325

All income in 2022 was unrestricted.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

4. RESOURCES EXPENDED

	Unrestricted	Restricted	Total 2022	2021
	£	£	£	£
Charitable activities				
Exhibitions	42,602	-	42,602	3,363
Publications	5,021	-	5,021	-
Events and speakers	1,756	-	1,756	-
DLDC expenses	124,889	100	124,989	114,977
Support costs	40,718	-	40,718	50,776
Governance costs	8,216	-	8,216	6,228
	<u>223,202</u>	<u>100</u>	<u>223,302</u>	<u>175,344</u>
Support costs				
General office	23,885	-	23,885	32,389
Insurance	2,115	-	2,115	1,951
Bookkeeping and related service	9,154	-	9,154	10,502
Consultancy fees	35	-	35	1,357
Bank and credit card charges	2,609	-	2,609	2,019
Depreciation	2,740	-	2,740	2,558
	<u>40,538</u>	<u>-</u>	<u>40,538</u>	<u>50,776</u>
Governance costs				
Accountancy and independent examination	3,000	-	3,000	3,000
Trustee expenses	5,216	-	5,216	3,288
	<u>8,216</u>	<u>-</u>	<u>8,216</u>	<u>6,228</u>
Support and governance costs allocated to DLDC	23,140	-	23,140	29,186
Other charitable activities allocated to DLDC	<u>13,463</u>	<u>-</u>	<u>13,463</u>	<u>-</u>

There was £100 (2021: £250) of restricted spend for the DLDC expenses.

5. EMPLOYEES

The Society has no employees

6. TRUSTEE REMUNERATION, EXPENSES AND RELATED PARTY TRANSACTIONS

During the year 5 (2021: 3) Trustees were reimbursed for expenses amounting to £5,216 (2021: £3,228). The expenses incurred by the trustees were for facebook management, postage, phones, stationery, storage, travel, accommodation and exhibition expenses.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

During the year the charity paid fees to Simon J Williams, L S Doherty, and C K Ward, as permitted under the charity's governing documents. However for several months of the year more than 50% of the trustees were paid for their services which is a breach of the charity commission's laws and regulations.

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 £34,618 (2021: £30,581). The total amount is made up of £25,606 (2021: £21,366) for management of the Distance Learning Diploma Course, £6,952 (2021: £7,547) for services as tutor and £2,060 (2021: £1,668) for reimbursement of expenses.

The fees paid to L S Doherty and C K Ward were for services as tutors. The total amount paid for the year was £1,118 and £75 respectively (2021: £252 and £165 respectively).

The Society's subsidiary Botanical Enterprises Limited (BEL) gift aided its profits in the year of £714 (2021: £2,172) to the Society in accordance with the deed of covenant signed on 21 February 2020.

7. INTANGIBLE AND TANGIBLE FIXED ASSETS

	Tangible assets: Memorial recognition awards £	Intangible assets: Computer software £	Total £
COST:			
Brought forward	1,000	10,232	11,232
Additions	-	729	729
Carried forward	1,000	10,961	11,961
DEPRECIATION:			
Brought forward	1,000	2,558	3,558
Charge in the year	-	2,740	2,740
Carried forward	1,000	5,298	6,298
NET BOOK VALUE:			
At 31 July 2022	-	5,663	5,663
At 31 July 2021	-	7,674	7,674

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 2022

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 Verulam Point, Station Way, St Albans, AL1 5HE. Its principal activity is the sale of botanical art related goods.

Summary of its financial performance	2022 £	2021 £
Turnover	7,108	9,474
Expenditure	(6,394)	(6,067)
Net profit	<u>714</u>	<u>2,172</u>
Amount gift aided to the society	(714)	(2,172)
Retained	<u>-</u>	<u>-</u>
Current assets	1,678	7,462
Current liabilities	(1,677)	(7,461)
Net assets	<u>1</u>	<u>1</u>
Represented by		
Share capital	<u>1</u>	<u>1</u>

9. STOCKS

	2022 £	2021 £
Raw materials and consumables	<u>575</u>	<u>400</u>

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

10. DEBTORS

	2022 £	2021 £
Trade	49,604	42,329
Prepayments and accrued income	2,752	2,214
Amounts owed by group undertakings	477	6,261
Other debtors	371	350
	<hr/> 53,204	<hr/> 51,154

The amounts owed to group undertakings includes a loan of £nil (2021: £3,500) on which interest is charged at 3.5% per annum. This loan is repayable on demand.

11. CREDITORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	1,157	1,501
Accruals and deferred income	206,053	211,419
	<hr/> 207,210	<hr/> 212,920

Accruals and deferred income include £197,728 (2021: £203,097) of deferred income. This relates to course fees paid in advance for the Distance Learning Diploma which are run over a three-year period and membership subscriptions that are paid for a 12 month period.

Deferred Income	2022 £	2021 £
At 1 August	203,097	177,689
Released from prior year	(128,195)	(123,756)
Deferred in the year	122,826	149,164
At 31 July	<hr/> 197,728	<hr/> 203,097

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

12. UNRESTRICTED FUNDS

	At 1.8.21 £	Income £	Expenditure £	Net Income £	At 31.7.2022 £
General funds	134,072	63,175	(61,610)	1,565	135,637
DLDC designated fund	158,470	144,102	(161,592)	(17,490)	140,980
Lucas memorial designated fund	1,590	-	-	-	1,590
	<u>294,132</u>	<u>207,277</u>	<u>(223,202)</u>	<u>(15,925)</u>	<u>278,207</u>

	At 1.8.20 £	Income £	Expenditure £	Net Income £	At 31.7.2021 £
General funds	121,888	43,115	(30,931)	12,184	134,072
DLDC designated fund	153,423	149,210	(144,163)	5,047	158,470
Lucas memorial designated fund	1,590	-	-	-	1,590
	<u>276,901</u>	<u>192,325</u>	<u>(175,094)</u>	<u>17,231</u>	<u>294,132</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.

The Lucas memorial designated fund was created to recognise contributions to the society.

The DLDC designated fund is made up of the fixed assets of £5,663 (2021: £7,674) with the balance held within current assets. The other funds are held within current assets.

13. RESTRICTED FUNDS

	At 1.8.21 £	Income £	Expenditure £	At 31.7.2022 £
People's Choice Fund	<u>4,750</u>	<u>-</u>	<u>100</u>	<u>4,650</u>

	At 1.8.20 £	Income £	Expenditure £	At 31.7.2021 £
People's Choice Fund	<u>5,000</u>	<u>-</u>	<u>250</u>	<u>4,750</u>

A new restricted fund was created in the previous 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.

THE SOCIETY OF BOTANICAL ARTISTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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.