

REGISTERED COMPANY NUMBER: CE012173 (England and Wales)
REGISTERED CHARITY NUMBER: 1174589

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 July 2021
for
COUNCIL FOR HIGHER EDUCATION IN ART &
DESIGN

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

**COUNCIL FOR HIGHER EDUCATION IN ART &
DESIGN**

**Contents of the Financial Statements
for the Year Ended 31 July 2021**

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 14

**Report of the Trustees
for the Year Ended 31 July 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance education for the public benefit by promoting knowledge and understanding of art and design within higher education institutions.

Public benefit

CHEAD Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties. CHEAD Trustees have applied consideration with regard to public benefit when undertaking strategic planning.

**Report of the Trustees
for the Year Ended 31 July 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

CHEAD has worked hard to address issues raised by its members in relation to the ongoing impact of COVID-19 and an increasingly hostile policy environment on art and design higher education and the urgency to respond to the #BlackLivesMatter movement with a commitment to tackle inequality and work for social justice by engaging in actions which lead to change.

In November 2020, CHEAD and APDIG hosted an online workshop 'Strategic Design Leadership' with key speakers and attendees from across the sector together with policy makers. The ongoing impact of this workshop is that CHEAD and the APDIG are working to develop interactions between Parliamentarians and the design sector to scrutinise Government policy towards design leadership and will develop further ways to identify opportunities to improve public understanding.

In February 2021, CHEAD commenced a partnership agreement with Shades of Noir to undertake Emancipatory Consultancy with the aim of responding directly to a key pillar of the CHEAD Strategic Plan to - Prioritise and foreground equity, diversity, and inclusivity as key drivers for deep and constructive change. The programme consisted of a series of emancipatory workshops with Trustees and Directors, a Policy and Strategy Review and a series of follow-on mentorship and guidance sessions. The intention is that CHEAD develops and works to implement, strategies that dismantle inequality within all aspects of our operations and to collectively work together to find solutions for our member institutions.

This year CHEAD has responded, on behalf of members, to consultations including: The Office for Students National Student Survey, The Research and Development Roadmap consultation, Bureaucracy review by UKRI, Graduate careers by the Skills Commission, Workforce of the Future by the Skills Commission, Department for Education Level 3 Review A+T levels and the Office for Students Quality Review. CHEAD also took an active role in supporting the Art is Essential Campaign led by the Contemporary Visual Arts Network in opposition to government cuts to the high-cost subject teaching subsidy grant of arts education.

CHEAD members and those working in the art and design higher education sector benefitted from CHEAD providing a coherent voice on their behalf to government and policy makers. Members tell us that they do not have the time or skills to respond to consultations individually and so benefit from CHEAD taking a lead on key consultation responses through the lens of art and design education on behalf of the sector.

During 2020/21, CHEAD continued to deliver a programme of events through its Leadership Programme, designed to support the current and next generation of academic leaders with two seminars taking place in December and February 2021 respectively titled 'Art and Design Leadership in the Here and Now'.

During 2020/21, CHEAD continued to deliver a programme of membership events focussed on sector specific themes. In November 2020, CHEAD delivered a hugely successful 'Creative Resilience: Art Adapts' membership dissemination event which provided an opportunity for CHEAD members to showcase examples of what they had done to adapt to the challenges of COVID-19. In May 2020, CHEAD delivered a key event, 'Facing the Future: Planning for Generation Z/Alpha/C', attended by over sixty attendees, to explore the defining characteristics of Generation Z, Alpha and C and how creative higher education institutions can prepare this student cohort. During 2021, CHEAD also supported members with their degree show planning through a series of online meetings with external partners including: New Designers, Arts Thread and D&AD.

During 2020/21, CHEAD continued to support a Subject Association Alliance. The alliance met three times and benefitted from presentations from guest presenters, for example by Michael Gorman, Chair of Group for Learning in Art & Design in Higher Education (GLAD). The Alliance spans a number of Subject Associations, some of whom are not CHEAD members. The result is that all Subject Associations benefit from the work of the CHEAD supported Alliance. This includes sharing knowledge and best practice, joint events and promoting knowledge and understanding of art and design within higher education institutions.

**Report of the Trustees
for the Year Ended 31 July 2021**

During 2020/21, CHEAD continued to deliver a programme of events through its Research Alliance with the aim of supporting research leadership and developing activities and resources to support researchers in the sector. The Alliance delivered a hugely successful 'Research Funding' event bringing together members of the Research Alliance to hear from core funders in the art and design research sector to explore the key challenges and opportunities facing research leaders and managers in the present climate. The Research Alliance also delivered a key event on 'Research Ecosystems' which considered: the Research Excellence Framework, Early Career Researchers and the impact of COVID on research and was attended by 54 attendees.

FINANCIAL REVIEW

Financial position

During the year, CHEAD received £105,208 (2020: £106,517) of membership subscriptions and £990 (2020: £6,460) from leadership development projects.

Last year the charity cancelled the annual conference due to the Covid-19 pandemic and postponed it to March 2021. The conference generated income of £880 and £650 through sponsorship.

Expenditure for the year in relation to the CHEAD's educational activities was £101,714 (2020: £89,868) resulting in net income for the year of £6,014 (2020: £23,109).

CHEAD finds itself in a strong position at the end of the 2020/2021 period with expenditure well within income levels and reserves being maintained at a healthy level.

Principal funding sources

Membership subscriptions.

Investment policy and objectives

CHEAD Trustees do not consider it necessary to seek investment advice. Trustees consider that current reserves should remain stable, accessible and risk free.

Reserves policy

CHEAD supports an active and responsive programme of events, seminars, policy briefings and annual conference for members across the UK as well as maintaining two part-time staff members and an accounts assistant on a consultancy basis. The CHEAD Reserves Policy is to maintain sufficient level of reserves to enable normal operating activities to continue over a period of up to six months should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time. At 31 July 2021, CHEAD had reserves totalling £232,981 (2020: £229,967).

CHEAD has taken steps to establish the level of reserve including any risks in respect of expenditure and future income as well as any external risks to income and expenditure. CHEAD also maintains a risk assessment which is reviewed annually and considered as part of the Reserves Policy review.

**Report of the Trustees
for the Year Ended 31 July 2021**

FINANCIAL REVIEW

Principal risks and uncertainties

The principal risk facing the charity are as follows:

1. Impact of Brexit

ADM HE recruitment, both from the EU and globally, will be hit and is likely to result in reduced budgets and possibly membership cancellations.

2. Implementation of the HE Bill

This would result in the ADM HE sector being opened to competition which could, over time, result in some member institutions reducing costs including membership fees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Trustees are appointed to the Board via an annual election at the Annual General Meeting by the CHEAD membership.

Organisational structure

The Charity is comprised of a Board of Trustees and two part-time Directors. CHEAD works closely within a network of art and design focussed organisations including: Design Council, Crafts Council, Creative Industries Federation, All-Party Parliamentary Design and Innovation Group, GuildHE, GLAD and NSEAD.

Induction and training of new trustees

CHEAD has an adopted policy and procedure for the induction and training of trustees. CHEAD has an adopted handbook for Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

CE012173 (England and Wales)

Registered Charity number

1174589

Registered office

C/O Knox Cropper
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

**Report of the Trustees
for the Year Ended 31 July 2021**

Trustees

Professor A Taylor Chair (resigned 17.3.21)
Dr T Coole Treasurer (resigned 17.3.21)
Professor K F Young (resigned 17.3.21)
Professor S A Wade Vice Chair
H Swayne (resigned 17.3.21)
Professor R S Smith
S Bennett (resigned 17.3.21)
P MacBeth
Professor J Kaner
Professor A Payne (appointed 17.3.21)
Professor S Manghani
D McGravie
S Phoca
Dr R D Hunter
Dr R Adams (appointed 17.3.21)
R Bateman (appointed 17.3.21)

Senior Management Team

Sandra Booth, Director of Policy and External Relations
Anna Maloney, Director of Membership and Operations

Independent Examiner

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Approved by order of the board of trustees on 7 December 2021 and signed on its behalf by:

Trustee

**Independent Examiner's Report to the Trustees of
Council for Higher Education in Art &
Design**

Independent examiner's report to the trustees of Council for Higher Education in Art & Design ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act;
or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts 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 accounts to be reached.

Stephen Anderson
Association of Chartered Certified Accountants
Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

7 December 2021

**COUNCIL FOR HIGHER EDUCATION IN ART &
DESIGN**

**Statement of Financial Activities
for the Year Ended 31 July 2021**

		2021 Unrestricted fund £	2020 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Education		107,728	112,977
 EXPENDITURE ON			
Charitable activities			
Education		101,714	89,868
 NET INCOME		6,014	23,109
 RECONCILIATION OF FUNDS			
Total funds brought forward		226,967	203,858
 TOTAL FUNDS CARRIED FORWARD		232,981	226,967

The notes form part of these financial statements

**COUNCIL FOR HIGHER EDUCATION IN ART &
DESIGN (REGISTERED NUMBER: CE012173)**

**Balance Sheet
31 July 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
CURRENT ASSETS			
Debtors	5	28,914	9,082
Cash at bank		225,208	228,952
		254,122	238,034
CREDITORS			
Amounts falling due within one year	6	(21,141)	(11,067)
NET CURRENT ASSETS		232,981	226,967
TOTAL ASSETS LESS CURRENT LIABILITIES		232,981	226,967
NET ASSETS		232,981	226,967
FUNDS	7		
Unrestricted funds		232,981	226,967
TOTAL FUNDS		232,981	226,967

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**Balance Sheet - continued
31 July 2021**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 7 December 2021 and were signed on its behalf by:

Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing the financial statements.

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

3. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
Management	2	2

No employees received emoluments in excess of £60,000.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Education	112,977
EXPENDITURE ON	
Charitable activities	
Education	89,868
NET INCOME	23,109
RECONCILIATION OF FUNDS	
Total funds brought forward	203,858
TOTAL FUNDS CARRIED FORWARD	226,967

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2021**

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	15,645	-
Other debtors	919	-
Prepayments and accrued income	12,350	9,082
	<u>28,914</u>	<u>9,082</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,579	575
Social security and other taxes	602	588
Other creditors	95	201
Deferred income	15,600	6,350
Accrued expenses	3,265	3,353
	<u>21,141</u>	<u>11,067</u>

7. MOVEMENT IN FUNDS

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
Unrestricted funds			
General fund	226,967	6,014	232,981
TOTAL FUNDS	<u>226,967</u>	<u>6,014</u>	<u>232,981</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	107,728	(101,714)	6,014
TOTAL FUNDS	<u>107,728</u>	<u>(101,714)</u>	<u>6,014</u>

7. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General fund	203,858	23,109	226,967
TOTAL FUNDS	<u>203,858</u>	<u>23,109</u>	<u>226,967</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	112,977	(89,868)	23,109
TOTAL FUNDS	<u>112,977</u>	<u>(89,868)</u>	<u>23,109</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.19 £	Net movement in funds £	At 31.7.21 £
Unrestricted funds			
General fund	203,858	29,123	232,981
TOTAL FUNDS	<u>203,858</u>	<u>29,123</u>	<u>232,981</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2021**

7. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	220,705	(191,582)	29,123
TOTAL FUNDS	<u>220,705</u>	<u>(191,582)</u>	<u>29,123</u>

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.

9. POST BALANCE SHEET EVENTS

The Trustees have considered the risks and potential impacts of the recent Covid-19 pandemic, which occurred after the Balance Sheet date, including the impact on income.

Membership income during 2020-2021 was broadly in line with budget. However, it is anticipated that the pandemic impact will continue to 2021 year end. Overall the Trustees consider that any reduction in income will be manageable.

10. FORMATION OF CHARITY

The charity was formed on 11 September 2017 and began to operate immediately thereafter when the assets and liabilities of the Council for Higher Education in Art & Design, an unincorporated association, were transferred to this charity.

11. IMPACT OF COVID-19

CHEAD has continued its support for members as the impact of the COVID-19 pandemic continues to be felt. Trustee board meetings, members meetings and specialist network events have remained online, and in many instances, engagement has increased. CHEAD has moved to the delivery of a more flexible and responsive programme, able to respond quickly to member's needs, for example putting in place dedicated meetings to help members plan their 2021 graduate degree shows and increasingly the number of members meetings per year but reducing the programme time to reduce the time spent online.

The Board of Trustees considered a number of financial scenarios based on varying degrees of membership income reduction and put in place monitoring to respond to such scenarios should they arise. CHEAD is pleased to report that membership renewals in August 2021 were at a healthy level with only one cancellation, and a number of returning and new members joining.