



THE ARTS
SOCIETY

CONSOLIDATED
FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2022

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REGISTERED CHARITY No. 1089743
OFFICE OF SCOTTISH CHARITIES No. SC039240

A COMPANY LIMITED BY GUARANTEE AND REGISTERED IN ENGLAND & WALES No. 04307984

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Office 4.55, LABS
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COMPANY INFORMATION

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Patron | HRH The Duchess of Gloucester |
| President | Dr Loyd Grossman CBE FSA |
| Trustees | Chair Liz Woods (<i>appointed 18 January 2022</i>) Vice-Chair Alison Watson (<i>appointed 18 January 2022</i>) Treasurer Anthony Strachan MBA, FCG Caroline Coleman Jennifer Harding - Edgar Ben Moorhead DL, FRSA (<i>resigned 9 September 2022</i>) Sue Osborne David Taylor Carolyn Trevor-Jones Chris Ward |
| Chief Executive | Dr Florian Schweizer |
| Company Secretary | Timothy Nicholls FCMA |
| Principal Bankers | Royal Bank of Scotland plc Belgravia Branch 21-24 Grosvenor Place Belgravia London SW1X 7HN |
| Solicitors | Simkins LLP Lynton House 7-12 Tavistock Square London WC1H 9LT |
| Auditors | Moore Kingston Smith LLP Chartered Accountants & Registered Auditors 6th Floor 9 Appold Street London EC2A 2AP |
| Investment Managers | Rathbone Brothers PLC 8 Finsbury Circus London EC2M 7AZ |

TRUSTEES' REPORT

ANNUAL REVIEW

2022 has been a year when The Arts Society staff and trustees have had their eyes firmly on the future. After a major planning session at the end of 2021, we established two working parties. The first has been to look at the way we carry out our charitable purposes through Societies and how we can best help them meet the challenges they face. We called that Track One. In Track Two we have started to explore what new initiatives might enable us to reach a larger and more diverse audience by building on our digital offerings such as Lectures at Home, 80 Days and ArtVent.

The members of the team in Track One took the opportunity to talk to a number of societies to see how they were faring in the aftermath of the pandemic. There was huge enthusiasm to get back to 'normal', as well as the oft-repeated concerns about committee recruitment and falling membership numbers. As the year progressed, however, it was clear that membership numbers had bottomed out and there was a slow rise as people gained more confidence in face-to-face meetings.

The other strong message from societies was, 'if it ain't broke don't fix it', and the local Society model is still the most important way of promoting The Arts Society's charitable purpose of arts education. Those Societies that wanted something slightly different did not feel that they were prevented from changing their modus operandi to suit their circumstances. There were, however, two messages that came through loud and clear. One was how much Zoom had opened up

access for those who could not attend a local Society and the other was the importance for societies of marketing themselves locally.

During 2022 - at the request of individual members and Societies - a new scheme was developed that will - once launched in 2023 - connect members whose home Society no longer 'zooms' lectures with Societies that do.

This is to increase accessibility to Society lecture programmes and help retain members who might otherwise leave their Society.

A local initiative by one Society who approached a marketing company on a pro bono basis, led the Trustees to suggest that we extend their recommendations in a pilot scheme to a wider group and then to analyse the effect it had on membership recruitment. Much of the anecdotal evidence we already had centrally about how recruitment happened locally, was reinforced by their findings. This development is being closely monitored by the Arts Society team.

In the meantime the Track Two team started to work with a professional agency to look at potential new digital initiatives. With such a small team of central staff we knew from the outset that we would need specialist help in this area. Led by Chris Ward, our recently co-opted Trustee who had up to date experience in this field, the Track Two team wrote a brief and interviewed a number of firms until we found one with the right experience whose values aligned with our own. Then began a process which

is still continuing of looking at how we reach a younger and more diverse audience, not just as a potential 'feed' for local Societies but as a completely new demographic. We hope to launch this initiative publicly later in 2023 and that by 2024 we are seeing a substantial return on the investment we have so carefully monitored.

Other central activities in 2022 included the creation of a prototype of a local database that would combine various data management activities of local Societies as well as link up with the central database: this is expected to cut down on committee time having to handle their Members' data.

Management have led on a number of important surveys to gauge the current state of local Societies and their relationship with the centre. These include marketing surveys, statistical questionnaires, a brand awareness Omnibus survey and a questionnaire regarding the services provided by the centre (which will be launched in 2023).

Leading up to a major training session in September 2022, a Membership Recruitment Working Group - Chairs of Area Support Teams and management - created resources to simulate new thinking around recruitment and the positioning of Societies. One highlight in the training calendar was a series on copyright which was offered to Societies and Lecturers: this was well attended and sparked discussions around the use of images and intellectual property across Arts Society activities.

The end of the pandemic meant that we had an opportunity to put together an Annual General Meeting (AGM) in person for the first time in some years. The Trustees considered this was hugely important given both the recent past and the important strategic work that they are undertaking. Clearly there is more involved in coming together than the AGM itself and so the idea of a conference at St George's in Bristol was developed to encourage Societies to attend and both share and contribute to the future of The Arts Society. New initiatives will be launched, past achievements will be celebrated and hopefully we can unite around our shared passion for the arts and our common interest in the promotion of arts and heritage to a wider audience.

Interim results gathered in November 2022 from reviews submitted by Member Societies revealed that during 2022, accredited lecturers delivered over 1943 lectures (97% of which were rated as

very good, excellent or outstanding), 138 study days (100% of which were rated as very good, excellent or outstanding), 21 study courses and 5 virtual tours.

During 2022 we welcomed 13 new lecturers into the Directory. Applications to join the Directory continue to be at a healthy rate and three more new lecturer selection sessions are already scheduled for January 2023.

2022 saw Directory Day taking place as both an in person and a virtual event for the first time. The live event was attended by over 200 lecturers and 550 Society Committee Members while the online site is still available as a resource for all Society and Area Committee Members.

We continue to try and find new and innovative ways to increase access to Directory Day. In 2023 it will take place as a two-day, live event on a bespoke online platform. This will enable wider participation not only from Societies worldwide but also by increasing the numbers of Committee Members who can see the lecturers perform.

All lecturers are invited to give short presentations, and two have already let us know that they will be participating in the event from Australia where they will be touring for ADFAS. An additional Directory event entitled 'Live From London' is to be held on 18 March 2023, featuring live one-minute presentations from approximately 175 lecturers and watched by a live audience in the venue and at home, via a livestream. Both events will generate more content for the Directory and provide opportunities for programme planners and lecturers to interact, helping to inform the decisions Society committee make regarding their programmes.

An ambitious overhaul of the Directory of Lecturers - both its content and its design and functionality - is planned to take place in 2023, intended to provide a more powerful search capability for programme planners while empowering lecturers to maintain their own details and customise their pages.

Our commitment to training for Societies remains as strong as it always has been but the way that it is delivered has changed radically in the last two years. In 2022, 53 training sessions were held online and three took place at Area meetings. We delivered training support in the following areas: Programme Planning, new Society Chairs, Copyright, Retention & Recruitment and Finance & Governance. There were

also a number of one-to-one training events where the team offered support to individuals and Societies with particular concerns. Training also continued via online tutorials which logged 827 viewings by members. MailChimp training also continued via online support.

Plans for 2023 include new PR Networking Sessions and online support for managing Google accounts. Chairs' Training and other events in Finance, Governance and programme planning are already scheduled and additional sessions will be added as necessary or on demand.

In mid-2022 the freehold property at Guilford Street was put on the market. This followed an extensive exercise by a Premises Working Group set up by the Trustee Board in 2020, and using external specialists to explore whether the building was fit for purpose and represented a good use of the resources of the charity. The conclusion was that the building which had been home since 1994 was no longer suitable, as hybrid working, and remote meetings meant that parts of it sat empty for long periods of time. An offer was received in January 2023 and the sale completed on 16 February 2023, for a profit of £2.1M over the book value. The proceeds have been invested, and placed in a Designated Fund pending an assessment of their best use in support of the charitable objects. Since these transactions occurred after the year end, they will be reflected in the accounts for the year to 31 December 2023.

EQUALITY, DIVERSITY AND INCLUSION

It is worth repeating here what we said last year, that the love of the arts is the only qualification for joining an Arts Society or increasingly accessing arts education digitally.

In 2022 we repeated the ArtVent calendar that we started in 2021 and were gratified to find that the number of people who accessed worldwide the

second time was no less than the first. We were also encouraged by the audience's interest in and support of more diverse topics and issues as well as representation - it is a discourse that will increasingly influence and inform our content curation going forward.

The members of Track Two placed diversity and inclusion at the centre of the brief that they presented to our consultant partner and the Zoom Access Scheme increased the opportunity for the housebound to still feel part of the organisation. We are confident that our current efforts will have a positive impact on how we engage with the wider community.

For the first time we launched an initiative during Pride week which we called "Over the Rainbow". This was a nod to and celebration of the colours that made up the original Pride flag. The timing acknowledged the first official UK Gay Pride rally which happened in London on 1 July 1972 - 50 years ago.

The Summer edition of The Arts Society Magazine carried a major article on the Birmingham Faith Visits Project as it neared completion. Conceived in 2016, this innovative project based in the West Midlands has now produced high-quality resources for teachers on six diverse religious communities. Illustrated guides to the images and symbols of each faith and suggestions for follow-up activities have been complemented by professionally made films offering 'virtual visits'. The Project has shown how a local Society can work with a wide range of organisations to reach an audience probably unfamiliar with The Arts Society. Schools and other bodies have easy access to the material wherever they are located because it is available on a dedicated microsite. The National Association of Teachers of Religious Education has applauded the resource and encouraged its use across the country.

GRANTS

2022 saw a sharp increase in the number of grant applications received. Whilst it is positive to see The Arts Society's role as grant giving body being recognised more widely, it also suggests the growing need for grant support due to economic pressures and the changing landscape in the arts and heritage sector. There has been a high volume of applications, with more than 150 received from external organisations alone.

The Grants Committee noted a shift in the focus of applicants - both internally from Societies and externally from charities - towards arts and heritage activities that benefit local communities by building more social cohesion and promoting well-being through creativity. Grants were awarded to arts projects that, for example, supported Ukrainian refugees, young carers and people who experience isolation. Applicants made the case for the need for funding as traditional sources of income, such as public sector funding, have suffered cuts.

It is becoming more evident that basic arts educational provision, such as arts materials in school or creative workshops, is no longer the norm but the exception - something that is noted with concern. There has also been an increase in applications from heritage and conservation organisations, as well as the performing arts - these have been welcomed by the Grants Committee, with applications being received from long-standing applicants as well as new

ones. It is clear, however, that the sector is once again under great pressure to cope with the pressures of defunding as well as increasing costs.

Long term strategic objectives of The Arts Society's grant giving are being achieved: an increasing number of applications came from arts organisations that do not represent the 'traditional' themes of the Society's grant giving. This has been a deliberate shift in reaching out to other communities in the arts. In line with the 2020 strategy of "connecting the dots", there has been a significant increase in local projects and partnerships through the Community Grants; these demonstrate that many small amounts of grant aid compound to a greater benefit across many communities and areas. These grants connect many Societies with their local communities, as well as with each other, creating a network of Societies driven by localism. The re-opening of the Community Grants in October 2022 was welcomed by many Societies; and it helps the Society to be more responsive to the diverse needs across many different communities. £50,000 has been set aside from the Patricia Fay Memorial Fund.

All Societies may apply for a grant of £250 to support an arts cause locally

VOLUNTEERING 2022

This past year has seen a resurgence of volunteering activities across most local Societies and at Area level. Following two years of disruption due to the pandemic, in 2022 many projects that had been on hold or delayed were re-activated. As a result of the Community Grants there was a flurry of new projects that brought local Societies and their communities together more closely. Despite lingering challenges for some projects, overall there has been a fantastic outturn of volunteering activity, and once again The Arts Society volunteers are making a huge difference in their communities for the arts and heritage.

One of the goals of Volunteering in 2022 was to streamline the organisational structure of volunteering activities - Arts Volunteering, Heritage Volunteering and Trails of Discovery - whilst keeping the projects and individual needs of each group of volunteers well supported. This means that communications about volunteering are now shared under a combined message: *Volunteering with The Arts Society - make a difference*. This is expressed in one shared leaflet to encourage volunteering, one shared promotional video, one shared quarterly newsletter.

Going forward we are planning a volunteering podcast, interviewing people who have been involved in The Arts Society volunteering projects about how volunteering has enriched lives and the project's impact. We will be publishing four articles highlighting different volunteering projects targeting members who are not involved in volunteering and an external audience. These will be shared on our

website and monthly highlights. We will continue to roll out the volunteering newsletter and are refreshing the volunteering email template to give a more modern feel.

Our volunteering community has rallied to an even wider range of causes. Led by the Heads of Volunteering Cherry-Anne Russell, Hillary Oleson and Pauline Stewart and their ever-supportive teams, volunteering activities took place in a wide range of partner venues including (not limited to): Galleries, museums, archives, places of worship, historic houses, theatres, schools, prisons, hospitals, railway stations and tracks, art studios, historic town centres, colleges, parks and gardens, community hubs, craft studios.

In addition, many projects continued both online and at home in the wake of the pandemic that created new opportunities to engage in new ways and through new methods. In that respect, the previous year's theme of flexibility continued into 2022. We have looked at a wider spectrum of volunteering opportunities. We have looked for the gaps and identified areas where the help that we can give enabled heritage, educational and therapeutic arts projects to thrive. We have looked for new partnerships and demonstrated that we do not work in isolation.

Three overarching themes demonstrate the volunteers' ability to react to changes and challenges: several projects swiftly reacted to the war in Ukraine and supported people impacted by this through arts projects focusing on themes such as conflict,

compassion and peace; Her Late Majesty the Queen's jubilee inspired a large number of projects; and music projects in schools and colleges reflect the growing decline in the provision of music education. The volunteers' adaptability was greatly needed as working with such a wide range of organisations proved challenging.

Many partner organisations found themselves under enormous pressure due to lack of resources - many remained closed or only partially accessible - and had to decline the generous offers of help and sometimes simply monetary support from Societies. It is deeply concerning that schools and other educational institutions are unable to even accept offers of support because they do not have the time to process partnerships.

As we move forward, one thing is certain: Societies are the key to unlocking the power of volunteering in their communities. Volunteering remains a main

objective for The Arts Society and we encourage all Societies to once more consider how they can engage with their community through voluntary activities.

We believe that how, where and in what manner Societies and their members volunteer should be up to each Society and its members. As long as local volunteering supports arts and heritage causes for public benefit, the contributions made through voluntary action will have the impact we ought to have as a charity.

Local Societies know best where help is needed locally; they know who they want to support; they can build new connections and relationships in the community; they know how much time can be offered to projects. Local Societies can shape what volunteering looks like for their members and their communities.

STRUCTURE GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

OBJECTS OF THE ARTS SOCIETY

The Charitable Objects are:

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

TRUSTEE BOARD

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

APPOINTMENT OF TRUSTEES

The maximum number of Trustees is fifteen of whom a majority must be elected by the voting members and therefore up to seven may be co-opted. Trustees retire after completing a three-year term and are eligible to serve a further three-year term but, may not serve for more than six consecutive years in total. They determine policy and have ultimate responsibility for the activities of the charity. Trustees who served during the year are listed on page 01.

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

TRUSTEE INDUCTION AND TRAINING

New Trustees receive an induction and mentoring programme to ensure they understand their legal obligations under charity and company law, the content of the Articles of Association, consultation and decision-making processes, the strategic plan, financial performance and current issues.

Trustees are encouraged to attend external training where it will improve the effectiveness of their contribution. Internal training and mentoring, including joint training with senior staff members, is also arranged as required.

Trustees undertake an annual review of the various skills represented on the Board which is helpful as

a development tool and is also used as a basis for indicating the skill requirement for potential Trustees, and as a basis for recruiting co-opted Trustees with specific skills and experience.

The governing body is the Trustee Board, all of whom are Directors, and who appoint one of their number as Chair and one as Vice-Chair. There are up to five Board meetings and generally one strategic planning session each year. Board Member attendance for 2022 was 90% (2021 – 94%).

The Trustee Board has set up a number of committees to which it has delegated authority for certain functions. The Finance, Audit and Risk Committee meets at least twice a year and is chaired by the Treasurer.

The Nominations and Remuneration Committee meets at least once a year to review employment and remuneration policy and to recommend salary levels, taking into consideration employment market rates, performance and length of service. In addition, the Committee will consider the recruitment of co-opted Trustees and also the desired skills to be sought through the election process.

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

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

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

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

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

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

PUBLIC BENEFIT

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

RELATED PARTIES – SUBSIDIARY UNDERTAKINGS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

GENDER PAY REPORTING

Although we are not required to report on gender pay under the *Gender Pay Reporting Regulations*, we feel that it is an important issue. We support equality through fair pay and our job evaluation framework has ensured that males and females at The Arts Society receive equal pay for work of equal value. However, small changes at senior and managerial levels can have a big impact on the pay gap in an organisation of our size. Overall, the gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive and the median gap at The Arts Society in 2022 was 40% (2021 - 25%).

RISK MANAGEMENT

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

PRINCIPAL RISKS

The organisational risk register which is reviewed by the Finance Audit and Risk Committee and is maintained as a live document for the Trustee Board, records that the most significant risks relate to the potential for a significant loss of subscription income (from Members), damage to the reputation of the organisation, and the sudden loss of key staff.

The Trustees have specifically considered the ongoing impact of the coronavirus on the operations and whilst they consider that it does not impact the ability of the charity to continue as a going concern, the risk around the loss of Members has been amplified. The Trustees are monitoring this very closely to both mitigate where possible and provide timely responses which can be deployed as necessary. This will also form part of the strategic plan and development of new products currently being developed.

The Trustees realise that anything which adversely affects the reputation of the charity represents a risk which could impact on subscription, and commercial income streams. As such they monitor this very closely, using external support if necessary.

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

FINANCIAL REVIEW

RESULTS

The overall position across all funds was net expenditure of £835,723 (2021: £6,033 net expenditure). Of this £243,603 related to unrealised losses on the investment portfolio due to the volatility experienced across the markets. This was, however, an erosion of previous unrealised gains, and the overall value of the portfolio was 16% higher than the original capital investment. During 2023 to date, the value has increased by 2%.

The position on the general fund (excluding unrealised investment losses) was net expenditure of £235,834. A breakeven budget had originally been set which included a transfer from the Affiliation Fee designated fund, but exceptional expenditure on legal and professional fees, recruitment, and a reduction in commercial income meant that this was reforecast and the deficit was planned.

The net expenditure on the designated funds represented the planned utilisation of funds set aside in prior years for specific purposes.

INVESTMENT POWERS AND WORKING CAPITAL POLICY

Under the Articles of Association, the organisation has the power to invest in any way the Trustees choose. It is the policy of the Trustees to hold working capital on deposit with banks and building Societies until such time as it is required to meet current expenditure.

Long-term investments are managed by Rathbone Brothers Plc following an investment approach which is set out in the “statement of investment policy” (due to be reviewed again in 2023). The policy looks to achieve an annual return of CPI + 4%. In addition to this holding, some funds are invested with CCLA in their Charities Income Fund thereby providing a useful benchmark.

RESERVES POLICY

The total fund balances at 31 December 2022 were £2,038,526 (2021: £2,814,228) of which £1,374,851 (2021: £2,015,526) relates to designated funds. There are currently no restricted funds held. The balance of £525,417 represents the free reserves of the group.

The group target for 2022 on general reserve funds was to maintain a level of reserves equivalent to 6 months’ operating expenditure. It is also the policy to maintain cash reserves equivalent to 2 months’ operating expenditure. This is required to guard against any major unexpected event, which could result in a reduction in income or a degree of expenditure which could not be met from the normal cash flow.

Based on the budgeted operating expenditure for 2023 the current level of reserves represents 5 months’ (2021 – 6.7 months) of undesignated expenditure, a level which is considered to be more than satisfactory with regard to the exceptional

expenditure in the year and the current assessment of the risk profile for the group. Cash reserves at 31 December 2022 were in excess of the target mainly due to the receipt of members subscriptions in advance.

The reserves policy was reviewed by the Finance Audit and Risk Committee in 2022 and will be reviewed again in 2023.

DESIGNATED FUNDS

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

- **Grants:** grant giving is designated separately from the General Fund. Two such funds existed in 2022 - The Patricia Fay Memorial Fund and the Zena Walker Fund.
- **Redistribution and allocation:** - an Affiliation Fee fund which was funded from savings and surplus reserves in 2021. This was used to subsidise the Affiliation Fee in 2022 (as it was in 2021).
- **Development:** during 2019 a designated Development Fund was created using previously received unrestricted legacies and donations to underpin the strategic priorities set by the Trustees.

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

REMUNERATION POLICY

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

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

In so far as the Trustees are aware:

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

AUDITORS

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



The Trustees
21 March 2023

AUDITORS' REPORT

OPINION

We have audited the financial statements of The National Association of Decorative and Fine Arts Societies (operating as “The Arts Society” for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent charitable company’s affairs as at 31 December 2022 and of the group’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the

Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151¹ of the Charities Act 2011 and report to

you in accordance with regulations made under those Acts.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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

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

identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

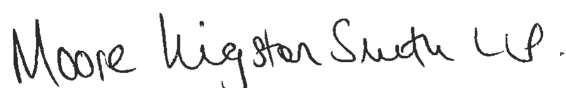
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland)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

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws

and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

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



Jonathan Aikens (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

9 Appold Street
London
EC2A 2AP

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | GENERAL 2022 £ | DESIGNATED 2022 £ | TOTAL 2022 £ | TOTAL 2021 £ |
|-----------------------------------------------|-------|----------------------|-------------------------|--------------------|--------------------|
| INCOME AND ENDOWMENTS | | | | | |
| Charitable activities | | | | | |
| Subscriptions and fees from members | | 1,032,205 | 5,584 | 1,037,789 | 1,050,772 |
| Educational course fees and events | 2 | 22,709 | 115,908 | 138,617 | 139,655 |
| Investment Income | | 28,652 | 13,348 | 42,000 | 38,669 |
| Donations and Legacies | 2 | 2,615 | 206 | 2,821 | 33,466 |
| Gift Aid | | - | 63,221 | 63,221 | 53,719 |
| Other trading activities | | | | | |
| Trading subsidiaries income | 3 | 222,205 | - | 222,205 | 178,858 |
| Grant income | | 5,692 | - | 5,692 | 55,322 |
| Other income | | - | 9,329 | 9,329 | 33,611 |
| Total Operating Income | | 1,314,078 | 207,596 | 1,521,674 | 1,584,073 |
| EXPENDITURE | | | | | |
| Raising funds | | | | | |
| Gift Aid - Societies' administration fees | 2 | - | 19,389 | 19,389 | 16,321 |
| Trading subsidiaries expenditure | 3 | 363,281 | - | 363,281 | 324,344 |
| Total cost of raising funds | | 363,281 | 19,389 | 382,670 | 340,665 |
| Charitable activities | | | | | |
| Education courses and events | 2 | - | 101,113 | 101,113 | 55,484 |
| Education | 2,4 | 285,419 | 155,961 | 441,380 | 351,121 |
| Volunteering | 2,4 | 305,797 | - | 305,797 | 303,929 |
| Membership Services | 2,4 | 595,416 | 287,419 | 882,835 | 742,131 |
| Total Charitable expenditure | | 1,186,631 | 544,493 | 1,731,124 | 1,452,665 |
| Total operating expenditure | | 1,549,912 | 563,882 | 2,113,794 | 1,793,330 |
| Net operating income (expenditure) | | (235,834) | (356,286) | (592,120) | (209,257) |
| Net gain / (loss) on investment assets | 8 | (85,214) | (158,389) | (243,603) | 203,224 |
| Net income (expenditure) | | (321,048) | (514,675) | (835,723) | (6,033) |
| Gross transfers between funds | 2 | 126,000 | (126,000) | - | - |
| Net movement in funds | | (195,048) | (640,675) | (835,723) | (6,033) |
| Total funds brought forward | | 858,703 | 2,015,526 | 2,874,228 | 2,880,261 |
| Total funds carried forward | 2,13 | 663,655 | 1,374,851 | 2,038,506 | 2,874,228 |

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

All activities derive from continuing operations.

The accompanying notes form part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2022

| | Notes | GROUP | | CHARITY | |
|------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | 747,582 | 771,055 | 747,582 | 771,055 |
| Intangible assets | 6 | 97,807 | 101,852 | 97,807 | 101,852 |
| Investments | 8 | 1,552,309 | 1,795,911 | 1,587,309 | 1,830,911 |
| | | 2,397,698 | 2,668,818 | 2,432,698 | 2,703,818 |
| CURRENT ASSETS | | | | | |
| Stock & work in progress | | 9,872 | 12,294 | - | - |
| Debtors | 7 | 88,047 | 120,985 | 26,363 | 47,630 |
| Cash at bank and in hand | | 385,505 | 909,069 | 247,443 | 835,526 |
| | | 483,424 | 1,042,348 | 273,806 | 883,156 |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 9 | (842,617) | (836,938) | (770,790) | (754,344) |
| Net current assets / (liabilities) | | 359,193 | 205,410 | 496,984 | 128,812 |
| Net assets | | 2,038,506 | 2,874,228 | 1,935,715 | 2,832,631 |
| THE FUNDS OF THE CHARITY | | | | | |
| Unrestricted funds | | 560,864 | 817,105 | 560,864 | 817,105 |
| Non-charitable trading subsidiaries | 3 | 102,791 | 41,598 | - | - |
| Total General Funds | | 663,655 | 858,703 | 560,864 | 817,105 |
| Designated funds | 2 | 1,374,851 | 2,015,526 | 1,374,851 | 2,015,526 |
| Total funds | 13 | 2,038,506 | 2,874,228 | 1,935,715 | 2,832,631 |

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

The accompanying notes form part of these financial statements.

As permitted by section 408 Companies Act 2006, the company has not presented its own income statement and related notes. The Charity's surplus for the year was £896,916 (2021: surplus £20,943)

Company registration number: 04307984

Approved by the Board on 21 March 2023 and signed on its behalf by:

Liz Woods
Chair



Anthony Strachan MBA, FCG
Treasurer



CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2022

| | 2022 | 2021 |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Cash flow from operating activities | | |
| Net cash provided by operating activities | (508,755) | (252,190) |
| Cash flows from investing activities | | |
| Investment income and interest received | 42,000 | 38,669 |
| Proceeds from disposal of fixed asset investments | - | 135,225 |
| Payments to acquire tangible and intangible fixed assets | (56,809) | (94,348) |
| Net (decrease) / increase in cash and cash equivalents | (523,564) | (172,644) |
| Cash and cash equivalents at beginning of year | 909,068 | 1,081,714 |
| Cash and cash equivalents at end of year | 385,505 | 909,068 |
| Reconciliation of net income/ (expenditure) to net cash flow from operating activities | | |
| | 2022 | 2021 |
| | £ | £ |
| Net (expenditure) / income including endowments | (835,723) | (6,033) |
| Adjustments for: | | |
| Depreciation and amortisation charges | 84,326 | 78,039 |
| Net losses/ (gains) on investments | 243,603 | (203,225) |
| Investment income | (42,000) | (38,669) |
| (Increase) / decrease in stock | 2,422 | (532) |
| (Increase) / decrease in debtors | 32,938 | (22,695) |
| Increase / (decrease) in creditors | 5,679 | (59,075) |
| Net cash provided by operating activities | (508,755) | (252,190) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

The National Association of Decorative & Fine Arts Societies (operating as ‘The Arts Society’), a registered charity, is a company limited by guarantee and is incorporated in England and Wales. The registered office is 90 High Holborn, Office 4.55, LABS, London WC1V 6LJ

1. ACCOUNTING POLICIES

The accounting policies remain unchanged from the previous year.

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and therefore have prepared the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) effective from 1 January 2019, the Companies Act 2006, the Charities Act 2011, the Charity Trustee and Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

Consolidated financial statements have been prepared in respect of the Group, which comprises The Arts Society and its wholly owned subsidiaries, NADFAS Enterprises

Limited and NADFAS Tours Limited. The results of the subsidiaries are consolidated on a line by line basis.

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

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

- (b) The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group’s forecasts and projections and have taken account of pressures on donation and investment income. The Trustees accept that there is still a degree of uncertainty around some activities, however, the sale of Guilford Street, and the upcoming strategic developments mean that they have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) INCOME

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

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

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

(d) EXPENDITURE

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

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

Charitable Activities

Costs of charitable activities include education courses and training, grants payable, volunteering and membership services and other costs directly

attributable and apportionment of overhead, support and governance costs.

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned based on estimated usage. The allocation of overhead and support costs is analysed in note 4. Included within overhead and support are staff costs, administrative and general office costs and depreciation.

Governance Costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to the Annual General Meeting, statutory audit, legal fees and Trustee meeting expenses together with an apportionment of staff costs relating to the Chief Executive and Company Secretary.

Employee benefits

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

(e) FIXED ASSETS

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

Freehold land - not depreciated

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

Furniture, fixtures and equipment - over three to five years

Intangibles (including website and CRM) - over five years

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

(f) FIXED ASSET INVESTMENTS

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

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

Unquoted investments in subsidiary undertakings are stated at cost less provision for any diminution in value.

(g) STOCKS & WORK IN PROGRESS

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

(h) INSURANCE

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

(i) CASH AND CASH EQUIVALENTS

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

(j) FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST

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

(k) FUND ACCOUNTING

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

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

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

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

(l) PENSIONS

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

(m) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The Trustees in applying the accounting policies gave specific consideration to amortisation / depreciation, and whether any impairment was required relating to the investment in the subsidiaries. In the opinion of the Trustees, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2a. GROUP DESIGNATED FUNDS

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

| | Patricia Fay Memorial | Zena Walker Bequest | Property | Development | Areas | Affiliation Fee | Total |
|------------------------------------------------------------------------|--------------------------|------------------------|-----------------|------------------|-----------------|--------------------|------------------|
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| | £ | £ | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | | |
| Incoming resources from generated funds | | | | | | | |
| Voluntary income | | | | | | | |
| Subscriptions and fees from members | - | - | - | - | 5,584 | - | 5,584 |
| Gift Aid | 63,221 | - | - | - | - | - | 63,221 |
| Donations legacies and similar income | - | - | - | - | 206 | - | 206 |
| Educational course fees and events | - | - | - | - | 115,908 | - | 115,908 |
| Activities for generating funds | | | | | | | |
| Other income | - | - | - | - | 9,329 | - | 9,329 |
| Investment income | | | | | | | |
| Bank interest | 3,989 | - | - | - | 1 | - | 3,990 |
| Investment Income | 7,754 | 1,604 | - | - | - | - | 9,358 |
| Total incoming resources | 74,964 | 1,604 | - | - | 131,028 | - | 207,596 |
| Expenditure | | | | | | | |
| Costs of generated funds | | | | | | | |
| Costs of generating voluntary income | | | | | | | |
| Gift Aid - Societies' administration fees | 19,389 | - | - | - | - | - | 19,389 |
| Education courses and events | - | - | - | - | 101,113 | - | 101,113 |
| Charitable activities | | | | | | | |
| Grants | 155,961 | - | - | - | - | - | 155,961 |
| Area awards | - | - | - | - | 49,732 | - | 49,732 |
| Disposal costs | - | - | 11,386 | - | - | - | 11,386 |
| Membership services general | 13,882 | - | 3,245 | 168,794 | 40,380 | - | 226,301 |
| Total expenditure | 189,232 | - | 14,631 | 168,794 | 191,225 | - | 563,882 |
| Net income / (expenditure) before transfers | (114,268) | 1,604 | (14,631) | (168,794) | (60,197) | 0 | (356,286) |
| Transfers | | | | | | | |
| Gross transfers between funds | | | | | | | |
| Development Fund | (142,804) | - | - | 142,804 | - | - | - |
| Affiliation Fee | - | - | - | - | - | (126,000) | (126,000) |
| Net incoming resources before other recognised gains and losses | (257,072) | 1,604 | (14,631) | (25,990) | (60,197) | (126,000) | (482,286) |
| Other recognised gains | | | | | | | |
| Net gains on investment assets | (132,004) | (26,385) | 0 | 0 | 0 | 0 | (158,389) |
| Net movement in funds | (389,076) | (24,781) | (14,631) | (25,990) | (60,197) | (126,000) | (640,675) |
| Funds brought forward | 718,452 | 203,029 | 705,353 | 25,990 | 236,700 | 126,000 | 2,015,524 |
| Funds carried forward | 329,376 | 178,248 | 690,722 | - | 176,503 | - | 1,374,851 |

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

- i) Patricia Fay memorial fund
This fund, established in 1981, is administered by the Trustees. The main purposes of the fund are to provide grants, and also to fund developmental and strategic activities. The fund gains its income from investment returns, gift aid, donations and legacies.
- ii) The Zena Walker bequest fund
This fund derives from a bequest of £120,790 from Mrs Zena Walker and income generated is to be used for an annual scholarship which is administered by the Trustees. The capital of the fund is intended to remain and generate sufficient income to fund this annual scholarship.
- iii) Property Fund
This designation represents the extent to which funds are invested in the property for the use by the Charity and are therefore not available for other purposes. The proceeds

from the disposal of 8 Guilford Street will be added to this fund in 2023.

- iv) Development Fund
The Development fund was established in 2019 to support the strategic development of the organisation. This encompasses several ongoing initiatives aimed at “better supporting Societies” and “better supporting the Arts”.
- v) Area Funds
This designation represents The Arts Society funds for which administration responsibility is delegated by the Trustees to Area Committees. The designation will continue for the foreseeable future.
- vi) Affiliation Fee
The fund was created in order to reduce the contribution required from Societies in 2022 and was transferred into the General Fund during the year.

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

2b. GROUP DESIGNATED FUNDS

| | Patricia Fay Memorial | Zena Walker Bequest | Fares Pool | Property | Development | Areas | Affiliation Fee | Total |
|------------------------------------------------------------------------|--------------------------|------------------------|-----------------|----------------|-----------------|----------------|--------------------|------------------|
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | | | |
| Incoming resources from generated funds | | | | | | | | |
| Voluntary income | | | | | | | | |
| Subscriptions and fees from members | - | - | - | - | - | 240 | - | 240 |
| Gift Aid | 53,719 | - | - | - | - | - | - | 53,719 |
| Donations legacies and similar income | - | - | - | - | - | 3,943 | - | 3,943 |
| Educational course fees and events | - | - | - | - | - | 92,827 | - | 92,827 |
| Activities for generating funds | | | | | | | | |
| Other income | - | - | - | - | - | 33,586 | - | 33,586 |
| Investment income | | | | | | | | |
| Bank interest | 3,685 | - | - | - | - | 2 | - | 3,687 |
| Investment Income | 7,552 | 1,000 | - | - | - | - | - | 8,552 |
| Total incoming resources | 64,956 | 1,000 | - | - | - | 130,598 | - | 196,554 |
| Expenditure | | | | | | | | |
| Costs of generated funds | | | | | | | | |
| Costs of generating voluntary income | | | | | | | | |
| Gift Aid - Societies' administration fees | 16,321 | - | - | - | - | - | - | 16,321 |
| Education courses and events | - | - | - | - | - | 55,484 | - | 55,484 |
| Charitable activities | | | | | | | | |
| Grants | 119,684 | - | - | - | - | - | - | 119,684 |
| Membership services grants | - | - | - | - | - | 35,177 | - | 35,177 |
| Commercial subsidiary | - | - | - | - | 8,425 | - | - | 8,425 |
| Membership services general | 10,828 | - | 52,695 | 3,930 | 52,580 | 49,817 | - | 169,850 |
| Total expenditure | 146,833 | - | 52,695 | 3,930 | 61,005 | 140,478 | - | 404,941 |
| Net income / (expenditure) before transfers | (81,877) | 1,000 | (52,695) | (3,930) | (61,005) | (9,880) | 0 | (208,387) |
| Transfers | | | | | | | | |
| Gross transfers between funds | | | | | | | | |
| Development Fund | - | - | - | - | 50,600 | - | - | 50,600 |
| Affiliation Fee | - | - | - | - | - | - | (1,000) | (1,000) |
| Net incoming resources before other recognised gains and losses | (81,877) | 1,000 | (52,695) | (3,930) | (10,405) | (9,880) | (1,000) | (158,787) |
| Other recognised (losses) / gains | | | | | | | | |
| Net gains on onvestment assets | 115,451 | 20,789 | - | - | - | - | - | 136,240 |
| Net movement in funds | 33,574 | 21,789 | (52,695) | (3,930) | (10,405) | (9,880) | (1,000) | (22,547) |
| Funds brought forward | 639,878 | 181,240 | 52,695 | 709,283 | 36,395 | 246,580 | 127,000 | 2,038,071 |
| Funds carried forward | 718,452 | 203,029 | - | 705,353 | 25,990 | 236,700 | 126,000 | 2,015,524 |

3. NET INCOME FROM TRADING SUBSIDIARIES

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

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

| | NADFAS Enterprises Ltd | | NADFAS Tours Ltd | | Total | |
|----------------------------------------|---------------------------|---------------|---------------------|---------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Turnover | 434,486 | 365,363 | 54,921 | 28,382 | 489,407 | 393,745 |
| Cost of sales | (345,880) | (301,301) | - | - | (345,880) | (301,301) |
| Gross profit | 88,606 | 64,062 | 54,921 | 28,382 | 143,527 | 92,444 |
| Administration Expenses | (54,137) | (63,996) | (18,995) | (19,133) | (73,132) | (83,129) |
| Other income | 118 | 5 | - | - | 118 | 5 |
| Profit / (Loss) before taxation | 34,587 | 71 | 35,926 | 9,249 | 70,513 | 9,320 |
| Taxation | - | - | - | - | - | - |
| Profit / (Loss) after taxation | 34,587 | 71 | 35,926 | 9,249 | 70,513 | 9,320 |
| Retained profit brought forward | 32,349 | 65,496 | 9,249 | 10,744 | 41,598 | 76,240 |
| Gift aid distribution | (71) | (33,218) | (9,249) | (10,744) | (9,320) | (43,962) |
| Profit retained carried forward | 66,865 | 32,349 | 35,926 | 9,249 | 102,791 | 41,598 |
| Capital and Reserves | | | | | | |
| Share capital | 5,000 | 5,000 | 30,000 | 30,000 | 35,000 | 35,000 |
| Profit and Loss Account | 66,865 | 32,349 | 35,926 | 9,249 | 102,791 | 41,598 |
| Shareholders' Funds | 71,865 | 37,349 | 65,926 | 39,249 | 137,791 | 76,598 |

Turnover of NEL (Company no 1923665) in 2022 includes £267,320 (2021 - £214,891) charged to The Arts Society for the publication of the magazine which is eliminated on consolidation.

Administration costs include apportioned charges paid by The Arts Society on behalf of NEL of £40,803 (2021 - £44,638) and of Tours of £14,928 (2021 - £15,447).

4. RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

| | Group General 2022 £ | Group General 2021 £ |
|-----------------------|-------------------------------|-------------------------------|
| Salaries | 576,440 | 541,214 |
| Pension contributions | 62,109 | 51,589 |
| Social Security costs | 51,220 | 50,779 |
| | 689,769 | 643,581 |

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

| | 2022 Number | 2021 Number |
|---------------------|----------------|----------------|
| £70,000 - £79,999 | - | 1 |
| £80,000 - £89,999 | 1 | - |
| £90,000 - £99,999 | - | 1 |
| £100,000 - £109,999 | 1 | - |

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 2 (2021: 2). These pension contributions totalled £18,731 (2021: £16,436)

b) STAFF NUMBERS

The average number of staff employed was 11 (2021: 12) and the average number of full-time equivalent employees (including casual and part time staff) during the period was as follows:

| | 2022 Number | 2021 Number |
|---------------------|----------------|----------------|
| Education | 1 | 1 |
| Volunteering | 2 | 3 |
| Membership Services | 8 | 8 |
| | 11 | 12 |

c) TRUSTEE AND KEY MANAGEMENT PERSONNEL

A total of £12,619 (2021: £8,190) was reimbursed to 9 (2021: 10) Trustees in the year for travel and other incidental expenses.

None of the Trustees who served during the period received any remuneration for their services (2021 - £Nil).

Key management personnel include the Trustees, Chief Executive, Finance & Resources Director and Company Secretary. Total remuneration was £241,792 (2021: £214,326)

d) PENSIONS

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

e) AUDITORS' FEES

| | Group 2022 £ | Group 2021 £ |
|-------------------|--------------------|--------------------|
| Audit | 23,341 | 20,107 |
| Areas | 1,360 | 1,008 |
| Taxation services | 2,525 | 2,215 |
| | 27,226 | 23,330 |

| f) DEPRECIATION | 2022 | 2021 |
|------------------------------|--------|--------|
| | £ | £ |
| Depreciation on owned assets | 84,326 | 78,039 |

g) ANALYSIS OF GRANTS AWARDED IN THE YEAR

| | | Number | Number | Group | Group |
|------------------|---------------------|------------|------------|----------------|----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | | | £ | £ |
| Designated Funds | Education grants | 169 | 288 | 155,961 | 119,684 |
| General Funds | Volunteering grants | 0 | 31 | - | 4,676 |
| | | 169 | 319 | 155,961 | 124,360 |

h) ALLOCATION OF SUPPORT COSTS AND OVERHEADS

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

| 2022 | Education | Volunteering | Membership | Governance | Total |
|---------------------------------------------------------|----------------|----------------|----------------|------------------|------------------|
| | £ | £ | Services | £ | £ |
| | £ | £ | £ | £ | £ |
| Costs directly allocated to activities | | | | | |
| Staff Costs | 92,490 | 148,024 | 282,695 | 50,823 | 574,032 |
| Staff and Volunteering expenses | 1,239 | 7,161 | 14,717 | 28,446 | 51,563 |
| Grants | - | - | - | - | - |
| Publicity and events costs | 45,815 | 884 | 661 | - | 47,360 |
| Legal and Professional fees (inc Audit fees) | - | - | - | 96,269 | 96,269 |
| Support costs directly allocated | 9,702 | 3,500 | 13,348 | 11,431 | 37,981 |
| Total Direct Costs | 149,246 | 159,569 | 311,421 | 186,969 | 807,205 |
| Support costs apportioned to activities by usage | | | | | |
| Staff Costs | 34,685 | 37,084 | 72,375 | - | 144,144 |
| Staff and Volunteering expenses | 804 | 860 | 1,678 | - | 3,342 |
| Information Technology | 15,301 | 16,359 | 31,927 | - | 63,587 |
| General Office | 2,877 | 3,076 | 6,003 | - | 11,956 |
| Premises | 11,745 | 12,558 | 24,508 | - | 48,811 |
| Stationery, Printing, Postage and Telephone | 6,378 | 6,819 | 13,308 | - | 26,505 |
| Depreciation | 19,510 | 20,860 | 40,711 | - | 81,081 |
| Governance costs allocated to activities | 44,873 | 48,612 | 93,485 | (186,969) | - |
| Total Support Costs | 136,173 | 146,228 | 283,995 | (186,969) | 379,426 |
| Total General Fund Expenditure | 285,419 | 305,797 | 595,416 | - | 1,186,631 |

| 2021 | Education | Volunteering | Membership Services | Governance | Total |
|---------------------------------------------------------|----------------|----------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Costs directly allocated to activities | | | | | |
| Staff Costs | 84,536 | 156,216 | 249,967 | 42,020 | 532,738 |
| Staff and Volunteering expenses | 45,436 | 6,499 | 1,492 | 18,118 | 71,545 |
| Grants | - | 4,676 | - | - | 4,676 |
| Publicity and events costs | 81 | 105 | 504 | - | 690 |
| Legal and Professional fees (inc Audit fees) | - | - | - | 81,991 | 81,991 |
| Support costs directly allocated | - | 3,363 | 11,248 | 15,131 | 29,742 |
| Total Direct Costs | 130,053 | 170,859 | 263,211 | 157,260 | 721,383 |
| Support costs apportioned to activities by usage | | | | | |
| Staff Costs | 29,708 | 39,030 | 60,126 | - | 128,864 |
| Staff and Volunteering expenses | 131 | 172 | 265 | - | 568 |
| Information Technology | 12,983 | 17,057 | 26,276 | - | 56,316 |
| General Office | 1,973 | 2,592 | 3,992 | - | 8,557 |
| Premises | 11,905 | 15,640 | 24,094 | - | 51,639 |
| Stationery, Printing, Postage and Telephone | 7,155 | 9,400 | 14,481 | - | 31,036 |
| Depreciation | 17,085 | 22,446 | 34,578 | - | 74,109 |
| Governance costs allocated to activities | 20,444 | 26,734 | 110,082 | (157,260) | - |
| Total Support Costs | 101,384 | 133,071 | 273,894 | (157,260) | 351,089 |
| Total General Fund Expenditure | 231,437 | 303,930 | 537,105 | - | 1,072,472 |

5. TANGIBLE FIXED ASSETS

| | Group & Charity Freehold Property | Group & Charity Furniture, Fixtures & Equipment | Total |
|-------------------------|-----------------------------------|-------------------------------------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| As at 1 January | 824,824 | 153,809 | 978,633 |
| Additions in the period | - | 15,903 | 15,903 |
| As at 31 December | 824,824 | 169,712 | 994,536 |
| Depreciation | | | |
| As at 1 January | 86,735 | 120,843 | 207,578 |
| Charge for period | 11,429 | 27,947 | 39,376 |
| As at 31 December | 98,164 | 148,790 | 246,954 |
| Net book value: | | | |
| 31 December 2022 | 726,660 | 20,922 | 747,582 |
| 31 December 2021 | 732,089 | 32,966 | 771,055 |

6. INTANGIBLE FIXED ASSETS

| | Website |
|--------------------------|----------------|
| | £ |
| Cost | |
| As at 1 January | 183,844 |
| Additions in the period | 40,906 |
| As at 31 December | 224,750 |
| Amortisation | |
| As at 1 January | 81,993 |
| Charge for period | 44,950 |
| As at 31 December | 126,943 |
| Net book value: | |
| 31 December 2022 | 97,807 |
| 31 December 2021 | 101,851 |

7. DEBTORS

| | Group | | Charity | |
|-----------------------------------------|---------------|----------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Amounts falling due in one year: | | | | |
| Trade debtors | 61,684 | 50,642 | - | 1,512 |
| Amount due from group undertaking | - | - | - | 1,538 |
| Other debtors | 2,024 | - | 2,024 | - |
| Prepayments & accrued income | 24,339 | 70,341 | 24,339 | 44,580 |
| | 88,047 | 120,983 | 26,363 | 47,630 |

8. INVESTMENTS

| | Group | | Charity | |
|---------------------------------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Unrestricted Funds | | | | |
| Unlisted investment - at cost | | | | |
| Subsidiary companies: | | | | |
| • NADFAS Enterprises Ltd | - | - | 5,000 | 5,000 |
| • NADFAS Tours Ltd | - | - | 30,000 | 30,000 |
| Listed Investments - at market value | | | | |
| Rathbone Brothers Plc managed portfolio | 957,084 | 1,123,334 | 957,084 | 1,123,334 |
| Equity Units/Shares: | | | | |
| CCLA COIF income units | 595,225 | 672,577 | 595,225 | 672,577 |
| | 1,552,309 | 1,795,911 | 1,587,309 | 1,830,911 |

| | Group | | Charity | |
|------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Reconciliation of movement in investments: | | | | |
| As at 1 January | 1,795,911 | 1,727,911 | 1,830,911 | 1,762,911 |
| Additions | - | - | - | - |
| Disposal proceeds | - | (135,225) | - | (135,225) |
| Net gains / (losses) on investments | (243,603) | 203,225 | (243,603) | 203,225 |
| Market value at 31 December | 1,552,308 | 1,795,911 | 1,587,308 | 1,830,911 |
| Historical cost | 1,390,915 | 1,390,915 | 1,425,915 | 1,425,915 |
| Reconciliation of movement in unrealised gains/losses in investments, excluding subsidiaries: | | | | |
| Unrealised gains at 1 January | 404,996 | 264,726 | 404,996 | 264,726 |
| Elimination of unrealised gains on disposals | - | (4,029) | - | (4,029) |
| Net (decrease) / increase arising on revaluations in the period | (161,364) | 144,299 | (161,364) | 144,299 |
| Unrealised gain as at 31 December | 243,632 | 404,996 | 243,632 | 404,996 |

9. CREDITORS: amounts falling due within one year

| | Group | | Charity | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| General Funds: | | | | |
| Trade creditors | 26,134 | 5,333 | 26,134 | 5,333 |
| Other creditors | 3,377 | - | 3,377 | - |
| Other taxes and social security costs | 35,412 | 34,782 | 23,719 | 15,485 |
| Accruals | 42,062 | 48,704 | 31,527 | 39,143 |
| Deferred income | 215,712 | 169,043 | 166,113 | 115,308 |
| Designated Funds: | | | | |
| Loans - Patricia Fay memorial fund | 519,920 | 531,420 | 519,920 | 531,420 |
| Accruals | - | 47,655 | - | 47,655 |
| | 842,617 | 836,937 | 770,790 | 754,344 |

Charity deferred income for the General Fund at 31 December 2022 includes service recharge fees and insurance charges of £116,113 (2021 - £115,308) received in advance. Group deferred income in addition includes lecturers subscriptions of £49,599 (2021 - £49,145).

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

10. DEFERRED INCOME

| | Group | | Charity | |
|---------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| As at 1 January | 169,043 | 284,076 | 115,308 | 244,320 |
| Amounts deferred during the period | 215,712 | 169,043 | 166,113 | 115,308 |
| Amounts released during the period | (169,043) | (284,076) | (115,308) | (244,320) |
| Balances carried forward as at 31 December | 215,712 | 169,043 | 166,113 | 115,308 |

11. RELATED PARTY TRANSACTIONS

NEL charged The Arts Society £267,320 (2021: £214,891) for the production of the magazine. Staff costs totalling £40,803 (2021: £44,638) were recharged to NEL, and £14,928 (2021: £15,447) to Tours.

The group made no purchases (2021: £19,625) from Hewitsons where one Trustee was a Partner.

12. ULTIMATE CONTROLLING PARTY

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

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | General | Designated | Total |
|------------------------------------------------|----------------|------------------|------------------|
| | 2022 | 2022 | 2022 |
| | £ | £ | £ |
| Tangible fixed assets | 40,431 | 707,151 | 747,582 |
| Intangible fixed assets | 97,807 | - | 97,807 |
| Investments | 488,219 | 1,064,090 | 1,552,309 |
| Current assets | 359,894 | 123,530 | 483,424 |
| Creditors: amounts falling due within one year | (322,697) | (519,920) | (842,617) |
| TOTAL NET ASSETS | 663,655 | 1,374,851 | 2,038,506 |
| | General | Designated | Total |
| | 2021 | 2021 | 2021 |
| | £ | £ | £ |
| Tangible fixed assets | 32,966 | 738,089 | 771,055 |
| Intangible fixed assets | 101,852 | - | 101,852 |
| Investments | 573,671 | 1,222,479 | 1,795,911 |
| Current assets | 408,312 | 634,033 | 1,042,345 |
| Creditors: amounts falling due within one year | (257,862) | (579,075) | (836,937) |
| TOTAL NET ASSETS | 858,703 | 2,015,526 | 2,874,228 |

14. CAPITAL COMMITMENTS

There were no contractual obligations at 31 December 2022.

15. POST BALANCE SHEET EVENT

On 16 February 2023 the freehold property at 8 Guilford Street was sold for £2,880,000. The funds will be added to the designated Property Fund until long term premises requirements are confirmed by the Trustees.



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