

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**  
Operating as 'The Arts Society'

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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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**London WC1V 6LJ**

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

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**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**COMPANY INFORMATION**

<b>Patron</b>	HRH The Duchess of Gloucester
<b>President</b>	Dr Loyd Grossman CBE FSA
<b>Trustees</b>	Chair Liz Woods
	Vice-Chair Alison Watson
	Treasurer Anthony Strachan MBA, FCG
	Caroline Coleman Jennifer Harding - Edgar Sue Osborne (resigned 24 May 2023) David Taylor Carolyn Trevor-Jones Chris Ward Jo Ward (appointed 24 May 2023)
<b>Chief Executive</b>	Dr Florian Schweizer
<b>Company Secretary</b>	Timothy Nicholls FCMA

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**COMPANY INFORMATION**

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 Group PLC 8 Finsbury Circus London EC2M 7AZ

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES  
TRUSTEES' REPORT**

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**ANNUAL REVIEW**

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with The Art Society's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland Act 2005), and the 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).

2023 was a momentous year for The Arts Society.

- After almost 30 years we moved out of 8 Guilford Street;
- Signed off the first new strategy since 2015 (delayed due to COVID);
- Launched the first new venture with a major investment in the new Studio;
- Embarked on a major reform of governance;
- Held the first in person AGM and conference since 2019;
- For the first time the charity committed to a reduction of the Service recharge in real terms;
- Won the Membership Publication of the Year

Above all, it was positive to see Societies being back fully in the swing of things, with some Societies reporting full lecture halls, waiting lists and sold out tours. There are still challenges - in particular committee recruitment locally - but in Training, Area meetings and at the conference we've seen encouraging signs of re-emerging confidence and continued commitment to the mission of The Arts Society to bring more art to more people.

Of course, we don't work within a vacuum so we have to acknowledge ongoing external challenges: global conflict, the cost of living crisis, challenges resulting from Brexit in particular for our European Societies, rail strikes and so forth continue to create an environment where a great deal of flexibility and agility is required.

This is evident in the creation of a strategy that acknowledges and embraces that it is impossible to set long term targets and objectives. By introducing an agile approach to governance and management we are committing to continuous reflection, planning and execution of plans, whilst pursuing our longer-term goals and objects.

A key shift in our approach to strategy throughout 2023 was a greater emphasis on the localism and individuality of Societies. Whilst there has never been any doubt about the autonomy of Societies and their ability to legislate for themselves, we are now creating resources to boost the idea of community and regionality as one of our Societies' key assets. By the same token, we have revisited the charity's original (and lasting) charitable objects and ethos, which has inspired us to reinterpret how we can deliver public benefits to a larger number of people. This is outlined in our new strategy, and we believe our new hybrid approach will strengthen our bond with Societies whilst enabling us to reach beyond our traditional audiences and beneficiaries.

**Governance**

At the first Board meeting in 2023 we invited two specialists (one of them our long-standing auditor) to talk about current trends, opportunities and challenges in the governance sector. This resulted in the

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Trustees committing to a governance review (which was overdue; the previous review having been in 2019/20) and taking a deeper look at our charitable objects and how these can be delivered.

Our auditor reminded the Board that they are the trustees of an independent charity with objects that are familiar. However, these objects are not to be confused with the charity's *objectives* which are the means by which it seeks to achieve those objects. Following this meeting it became abundantly clear to the Trustee Board that from a purely legal and constitutional point of view, our objects, which rest like all charities on the foundation of public benefit, do not require us to achieve them solely through the means of our member societies. We reminded ourselves that historically, The Arts Society has always undertaken non-society based activities, and it continues to do this through, for example, the giving of external grants.

As a result of this meeting, in January 2023 all the members of the Board agreed a Memorandum of Understanding which signalled their commitment to reform.

The main outcome of the external governance review was an acceptance that our articles are out-dated and not fit for purpose, under current charity and governance codes and regulations. This led to the formation of a Working Group to review and action the recommendations from the external Governance Review.

A Working Group chaired by the Treasurer Tony Strachan, along with Liz Woods, David Taylor and Alison Watson was formed with the following remit:

*In the light of a recent Governance Review and subsequent Board decisions concerning the strategic development of The Arts Society, to consider the current articles of Association and constitutional arrangements with a view to asking lawyers to draft any appropriate amendments for consideration by the Board ahead of an EGM of Members*

Between January 2023 and September the working group considered the recommendations made by the governance consultant and aligned the recommendations with the strategy which was being created simultaneously. Once the core principles and practical considerations had been approved by the Board, management appointed a specialist solicitor to draw up new Articles of Association in accordance with current best practice, the specific needs of the organisation and the findings of the working group. During the final quarter of the year, Trustees and management developed plans for a consultation process to be held in the first quarter of 2024, culminating in an EGM to hold a vote on adopting new Articles of Association.

### **Strategy**

The strategy agreed by the Trustees in 2015 was due for review in 2020/21. At a strategy meeting held in September 2021 the Trustees agreed that because of the uncertainty caused by the pandemic, it was unwise to make any long-term strategic decisions. so they decided to "plan to make a plan" with the aim of signing off a new strategy as soon as it was feasible to do so.

In the meantime, management carried out a number of research assignments to obtain data and trends about Societies, Members and the sector, as well as the Association itself. Some of this research was used in resources that were made available to Societies, but primarily the aim was to present a comprehensive 'state of the nation (charity)' based on the gathered evidence to the 2023 AGM and Conference. A conference pack with all the findings of six studies was produced and this has

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underpinned both strategic and managerial decision making since then. The Conference itself was an opportunity to engage with Societies and Members in a qualitative manner, and this further contributed to the 'fact finding' part of the development of the strategy.

Based on the data and evidence collected, as well as historical trend data, management presented a strategy resource pack to Trustees, which encompassed all strategic decisions taken by the Board since September 2021. The strategy for 2023-2026 was signed off in July and communicated to Societies as part of the Membership Report in the third quarter.

In its simplest form the strategy commits The Arts Society in the following terms:

*"We want to make the arts mean more to more people. We believe our traditional model cannot achieve this alone and research we have undertaken suggests that the federated, local Society model is no longer sufficient, by itself, to satisfy the proper fulfilment of the Charity's objects. Because of this, and to carry on delivering our charitable objects, we must invest resources in building new capabilities and expanding our business model to reach a more diverse range of audiences in new places. We will do this by prioritising technology and digital channels in our future planning and investment decisions, and by re-shaping our relationship with local Societies as a streamlined service. In order to create a self-reliant (and self-sustaining) business model for the charity we will restructure the governance and funding arrangements appropriately."*

Part of the long-term strategy was the sale of the property at 8 Guilford Street, which the charity had acquired in 1994. A review of the need and specific requirements for an office had been instigated in 2019, and then responded to developments in the workplace environment during the COVID pandemic.

A Premises Working Group considered the options available to the Trustees. The unanimous decision was to sell the building, as it was no longer fit for purpose and had become a liability for the charity. The property was put on the market in the second quarter of 2022 and a sale was completed in February 2023. The proceeds of the building were invested as part of the investment portfolio and accounted for in a designated Property Fund.

In July 2022, having consulted with management for more than 12 months, the Trustees decided to redesignate the Property Fund as a Strategic Development Fund. There is currently no plan to purchase or lease another property, with the staff numbers required to make such a purchase or lease viable, far exceeding the likely staffing levels of the charity in the foreseeable future.

Another key strategic initiative was the decision made in 2021 to reimagine and innovate how the charity would engage with new audiences, against the background that *"the federated, local Society model is no longer sufficient, by itself, to satisfy the proper fulfilment of the Charity's objects"*.

Having worked with an innovation company in 2022 and the first half of 2023, the Trustees agreed to expand the business model by creating The Arts Society Studio. From November 2023 onwards a new team for the Arts Society Studio was appointed and at the time of writing this team is enthusiastically taking on the task of attracting new audiences to the arts. We have labelled our new offering 'CULTUR.ART', and it will be a digital-only product delivered across a number of platforms. The work of the Arts Society Studio is intended to be complementary to the activities of local Societies, it is aimed at a different audience and will be at no extra cost to Societies.

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The keystone of our work remains the support of our Societies in the UK, across Europe, New Zealand - and the ongoing exchange with our sister organisation ArtsNational - formerly known as ADFAS. We are grateful for all the input we've received from Societies into our survey and questionnaires, which helped (and continues to help) us shape the future strategy around their needs. Under the banner of Track 1 we started in 2022 by asking "What can we do to help Societies help themselves, and what services do they really need from us?"

What emerged in 2023 was that:

- Societies are entirely content with what they offer and how they operate. The model of an annual programme of lectures continues to appeal to their members;
- The traditional system of independence and autonomy works for them;
- The Directory, Training and Support functions continue to be valued, but the needs of Societies are shifting;
- During 2023 we acknowledged formally that the charity was not in a position to set goals for Societies but should instead work in partnership with Societies to try to achieve their goals. Our work would therefore focus on creating framework and platforms for Societies to build their success, instead of trying to be a guarantor for success.

### Operations

Operationally the highlights for 2023 were the sale and move out of 8 Guilford Street, two Directory events (1 in person, 1 online), the launch of the new Directory, the Conference and the creation of The Arts Society Studio. This was underpinned by the ongoing support for Societies which we delivered through membership services, training, Areas and Community Grants. We continue to modernise team structures and working practices to ensure that we offer the best value for money and outstanding services to our members and stakeholders.

Membership/Societies/Training/Areas:

A series of papers on purpose, localism, volunteering and transformation were published between February and May 2023, encouraging Societies to take a fresh look at their activities and their role in their local communities. This marked a new approach to celebrate the individuality of Societies, within the wider family of the association.

There are currently 354 Societies (UK, Mainland Europe & New Zealand), compared to 369 in 2022. 33 Societies reported either the same membership level or growth in 2023, against 313 who saw a decline in membership. These figures do not include the New Zealand Societies whose members' details are not recorded on our system.

Overall membership numbers are, unfortunately, still falling (at the time of writing 63,344), but Societies are working hard to attract new members and retain existing ones. Recruitment and retention workshops are well attended, and in November 2023 a new campaign to promote the Society on Facebook was announced (to be launched in early 2024).

National and Area Support Teams continue to create opportunities for Societies to network and share information, insights and best practice updates. Training courses are well attended and work began in October 2024 to build a Learning Management System to make training content more accessible and user friendly.



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Overall the management team handled approximately 6,000 service requests from Societies during 2023.

We would like to thank all Committee members in local Societies and the volunteers on the Support Teams for their hard work and dedication. Their contribution to the arts and culture in their communities and beyond cannot be overstated.

Education:

2023 was a busy year for the Education Team with many work strands being progressed.

A year-long project to revamp the Directory of Lecturers culminated with the launch of a new Directory in November. The new site enables users to quickly and easily search for and access relevant and up-to-date information about lecturers and the lectures they offer, filtering results using a multitude of criteria relevant to the individual user. For the first time the user (usually a programme secretary or study day organiser from a Member Society) can save lectures they are interested in within the Directory, via a 'bookmarks' facility. In addition, lecturers now have ownership of their personal information and data and have the ability to update it for the first time, leading to a more efficient and dynamic system. User guides for the new Directory were produced for both Society users and lecturers. Feedback from both Society users and lecturers about the new Directory has been extremely positive.

We finished the year with 382 accredited lecturers, with 17 lecturers having been recruited during the year.

In April 2023 we compiled review statistics for 2022. These were in line with previous years' high standards with 96% of lectures and 99% of study days reviewed rated as 'Very Good', 'Excellent' or 'Outstanding'.

We worked with lawyers throughout 2023 to prepare new Terms and Conditions of Accreditation for lecturers. These Terms were sent to all lecturers together with an acceptance letter for them to sign in November. Currently 96% of accredited lecturers have returned signed letters. As signing up to the new Terms is a requirement to retain accreditation from The Arts Society, we are following up with those who have not yet signed.

For the first time in the event's history Directory Day was held completely online as a live event, enabling us to invite many more Society committee members and lecturers to the event whilst lessening our environmental impact and financial outgoings. (The cost of the event was around 1/3 of an in-person Directory Day.) The event was held over two days, another new initiative, on 5 & 6 October 2023, and 400 committee members registered to watch live presentations from 225 accredited lecturers. Presentations were recorded and will be added to the lecturers' pages in the Directory and additionally the event platform will remain active until September 2024, meaning that those who were unable to watch live had various ways to access the event.

While recognising that many Society Members and lecturers prefer the in-person connection, we feel that this event showed that a high-quality, purely online Directory event is possible.

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Communications:

The magazine and our online communications continue to be a key part of our membership engagement activity. In December the magazine was awarded the IPP Membership Publication of the Year. In 2023 we were delighted to have stellar artists such as Ai Wei Wei and Luke Jerram featured in the magazine, but above all we are keen to create the perfect blend between first class arts journalism and writing that reflects the work of Societies and Areas.

Volunteering:

2023 was a busy year for our Volunteers, and we would like to congratulate everyone involved in Arts Volunteering, Heritage Volunteers and Trails of Discovery for the difference they've made. Volunteering continues to be a hugely important aspect of the work of Societies, and against the background of defunding the arts from the public purse, the time given by Arts Society members to a wide range of arts and heritage projects helps the sector to deliver for audiences well beyond our membership.

Our **Arts Volunteering projects** can range from something as simple as a donation of art materials or money through to more involved projects such as educational programmes, arts competitions and exhibitions and community arts projects. Whether large or small our Societies' Arts Volunteering projects have a positive impact on their local communities.

Projects:

- Interrupted by the pandemic and lock down, The Arts Society Blackheath were able to complete their 'Endangered Animals' project with a local primary school. Their Young Arts Representative at the time, a professional artist, went into the school and helped the children with their drawings and at the end of it, turned their drawings into a film with an animator, with the children providing the voiceovers.
- The Arts Society Shrewsbury helped with the foundation of the Shropshire Youth Choir. The choir held its first concert in May. Involving children aged 4 - 10 years, the concert was a great success and included a performance of the song 'True Colours' using Makaton. Makaton is used to enable people with disabilities or learning disabilities to communicate with others, making the concert a truly inclusive experience.
- The Arts Society Beaconsfield were involved with projects involving recycled materials with three local schools. The first at Beaconsfield High School involved using recycled materials to make sculptures including a Dale Chihuly-like chandelier made with plastic bottles which takes pride of place in the school's reception. At Wooburn Green Primary School, Beaconsfield helped with a project called 'How can we help the future World?'. This project involved pupils working with a local artist to produce clothes and accessories made from recycled materials which they later showcased at a fashion show. Year 2 and year 6 children from Holtspur School worked together using recycled materials, including old bicycle wheels, to make flowers, wind chimes and decorated railings. These were used in the school's sensory garden.

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- Working with a local organisation, Balsall Common Memories Café, The Arts Society Arden were able to provide musical instruments and arts materials for people living with dementia and their carers.
- The Arts Society Gerard's Cross arranged art workshops for young carers.
- As part of Art @ the station and working with Artventure, The Arts Society Guildford arranged a display of art works by adults with learning disabilities, physical impairment and autism.
- The Arts Society Fife have helped organise art workshops for young people with learning difficulties at Glenrothes Arts Club.
- The Arts Society Wensleydale organised a series of dance workshops for children with special learning disabilities. The children involved have all benefited significantly including one boy who has managed to stand and move for the first time having been wheelchair bound since birth.

Our **Heritage Volunteers** continue to help with the preservation of our artistic and cultural heritage with a variety of different projects around the country. Heritage Volunteering continues its recovery since the pandemic with a few Areas reporting increased activity.

Lockdown saw the emergence of remote volunteering projects. The book trousers project with the Parliamentary Archives, begun by the Greater London Area, has now been successfully completed. It involved 167 Heritage Volunteers from 76 Societies from around the country. The Volunteers made 18,000 book trousers and their work was highly praised by staff at the Parliamentary Archives. The COPY 1 project involving the National Archive involves volunteers cataloguing items from the Archive's copyright collections and continues to be a great success with hundreds of volunteers involved and many applying to join. Like other remote projects, this allows volunteers the flexibility to work the hours they choose and allows them the opportunity to take part from the comfort of their own homes wherever they happen to be.

- Cantab have volunteers working in the libraries at Wolfson College and Museum of Zoology in Cambridge.
- Volunteers from Dorking have started work restoring and conserving altar frontals and fabrics from Chapel of Ease at St Michaels and St All Angels Church at Mickleham.
- Kingston have volunteers working on a variety of tasks including guiding at their local museum.
- North Staffordshire volunteering have embarked on a project archiving letters from the Moseley collection at the V&A Wedgwood Collection.
- Nottinghamshire volunteers have begun library and textile projects at Thrumpton Hall and Wollaton Hall.
- At the Vale and Downland Museum volunteers from Wantage have begun a project conserving some of the museum's artefacts.

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- Conservation of a 19th century banner from the church of St Peter, Hinton on the Green which has recently been completed by Heritage Volunteers from The Arts Society Evesham & Pershore. Volunteers from this Society have also recently begun work on repairing kneelers from the church of St Nicholas in Kemerton.
- Volunteers from The Arts Society Wylve Valley have started work on an inventory of the church of St Peter's in Fugglestone. Inventories have been introduced over the past few years and the Heritage Volunteering team are in the process of creating guidelines so that they can be compiled for other buildings of interest.
- In June, volunteers from The Arts Society Wrekin successfully completed a project identifying, listing, and copying photographs in the Rolt Archive in the Ironbridge Gorge Museum.
- The project also involved recataloguing booklets and other materials in the collection and making 135 boxes for their storage.
- The team from The Arts Society Chiswick have begun working with the London Borough of Hammersmith & Fulham helping them prepare their archives for transit to new premises.
- Volunteers from The Arts Societies Nottingham and Trent Valley continue their work together in the library of Notts County Cricket Club. The two have worked together for some years now and have decided to have a single Heritage Volunteers Representative for both Societies.

**Trails of Discovery** provides the opportunity for people in the community to learn about and explore the art, history, architecture, culture and local history in their area or at a particular venue. That can be in a church, town, village, museum, historic building, or on a local train line journey.

Volunteers were busy with 15 new trails being registered and 18 trails having been completed. This is really encouraging, and we hope it will continue. This is spread over the whole country, even though there are not representatives in every Area we have the microsite which contains a wealth of information and experienced people willing to help if necessary. It demonstrates that members do like to get involved with trails and within their community. We are taking every opportunity to encourage people to think more broadly about creating different types of trails or adapting a trail to suit peoples' different needs. An example of this is where Guildford worked with a local organisation, The Halow Project. The Halow Project is a charity which provides continuing education and life skills development to young people aged 18+ with a wide variety of additional needs. Several groups from Halow recently joined members of The Arts Society Guildford to complete Trails of Discovery at Guildford Cathedral and Abbot's Hospital. The trails, which had been created previously for use by schools, were adapted to address any particular needs, and the groups each spent an enjoyable morning learning about history, art, architecture and more.

The Blakeney Town Trail was advertised widely in the town and had a very good, colourful write up in the local paper. The Leatherhead Arts trail was also supported locally by posters and the local paper. The Dukeries Society created a town trail and a church trail which was very well supported by the local community. A trail was created around Bristol Old City in time for the AGM. This trail covered churches, historic buildings, art, architecture, and local history.

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Trails creation can be a social activity for society members engaging with others in their local area. Most trails are now advertised by a QR code on posters. This means the trail can be downloaded to a mobile device and also keeps the cost of promoting the trail to a minimum.

During 2023 we increased our communication around volunteering, with quarterly newsletters dedicated to volunteering matters and our Monthly Highlights featuring stories about volunteering.

A highlight of 2023 was the first in person presentation of the Marsh Awards at the Bristol Conference.

These Awards recognise volunteers from some of The Arts Society's local societies across the UK, who work to help conserve the decorative and fine arts in their local area.

Volunteers are from one of the charity's principal areas of volunteering: Heritage Volunteering, Trails of Discovery and Arts Volunteering.

Nominations for the Awards are put forward by local societies and are judged by a panel consisting of Arts Society and MCT representatives.

Careen Lindsay – The Arts Society Fife

Careen has been co-ordinator for both Arts Volunteering and Heritage Volunteering for almost seven years at her society. She is always on the lookout for new arts and heritage projects for her society and has the perfect personality for enthusing members to get on board. She has built positive and friendly relationships with both the community and volunteers which has seen the Arts Society Fife work with and support a wide range of local organisations. These include local schools where they have supported online exhibitions, local hospices where they have provided arts materials for patients to use and local museums where members have got involved with archiving projects. Careen is a welcoming, kind and supportive member of the committee and is the first to volunteer herself for additional duties where she is needed.

Jan Tucker and Chris Wheeler – The Arts Society Hereford

Jan and Chris have been outstanding in creating church Discovery Trails for children aged 8 to 12 in Herefordshire and beyond. They have raised awareness and appreciation of the architecture, artefacts and history of local churches and villages amongst the children who live there and have liaised with ministers, teachers and other members of the community to complete their projects. Their efforts have not only raised awareness of the work of the Arts Society, but have also helped their Society to gain new members. Jan and Chris have been pioneers in this venture and have been generous in their support of anyone planning to set up a trail in the local area.

David and Dilys Farrant – The Arts Society South West Area

David and Dilys have been involved with heritage volunteering in the South West for over 15 years. In the early days of their volunteering, the annual meeting for heritage volunteers was held in their home and they then introduced the format of formal meetings, including guest speakers and a visit to

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a venue not normally accessible to the public. David and Dilys have been involved in nationally important projects with the Arts Society which have been important in raising awareness of the work of the organisation. They made sure to visit every project in the South West once a year and willingly shared their knowledge where it was needed. They retired from volunteering in October 2022, and Dilys sadly passed away in January 2023, and so this Award seeks to reflect their longstanding contributions.

Penny O'Brien – The Arts Society Wylve Valley

Penny has been involved with The Arts Society since 1980, just two years after her local Society was formed. Since then, she has held a number of committee positions including Membership Secretary, Vice-Chair and Chair. She was also Secretary to the Wessex Area Chairman and served as President of the Area for 9 years, showing integrity, enthusiasm and commitment throughout. Penny was key in introducing a 4 year term for Presidents, ensuring that new ideas are welcomed throughout the Arts Society and no one person holds autonomy over decisions for local areas. She has a thorough knowledge of the arts and has been involved in the organisation of a number of influential and exciting lecture series. Penny has committed an impressive number of years to the service of the Arts Society, which has seen her hold almost every key role and attract a huge amount of respect from her peers.

Susan Pearson – The Arts Society Dorchester

Susan has been a member of her local Society since 1998 and joined the committee in 2003, where she has fulfilled every role bar one. Her most recent (and final) role as Chairman covered the years of the pandemic where she was very proactive in embracing zoom lectures and online activities to keep the members engaged and the society alive. She contacted neighbouring societies to offer assistance with technology and took the time to keep in touch with any non-technical members, helping them with technology or simply offering a listening ear. Susan helped to initiate new links within the local community to help bolster the Society's arts and heritage volunteering programmes. She has set a high standard for the Society which has encouraged an ever-increasing number of members and she is a great ambassador for the Arts Society as a whole.

Wendy Burdett – The Arts Society Harpenden

Wendy has been the Arts Volunteering Coordinator for her Society since 2002, and has instigated and completed 17 projects with local primary schools in this time. The projects all involved hands-on work from Society members who prepared materials and visited schools to help deliver the projects to the pupils. Wendy has worked with hundreds of children and provided volunteering opportunities for many members through these programmes. The artworks produced remain in the schools, giving pride and a tangible outcome for the children involved while also teaching them important life skills. Wendy's hard work, diplomacy and negotiating skills have been fundamental in getting commitment from both participating schools and artists to the projects. Her contributions amount to so much more than a simple donation for materials or a visit to a school by an artist

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Grants:

2023 saw a further increase in the number of grant applications received (compared to 2022), with a record 281 external requests for funding being processed. It is positive to see the long-term strategic objectives of our 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. There has been a significant increase in local projects and partnerships through the Community and Society Grants; these demonstrate that many small amounts of grant aid compound to a positive impact across many communities and areas.

Whilst it is positive to see The Arts Society's role as grant giving body being recognised more widely, it also suggests the ever-growing need for grant support due to economic pressures and the changing landscape in the arts and heritage sector. There has been an increase in applications from smaller heritage and conservation organisations, as well as the performing arts - these have been welcomed by the Grants Committee. We were able to give grants to 27% of all applications received, compared to 41% in the previous year. (In 2022 we held two additional intermediate grants rounds for Societies which meant we gave more grants that year.) The intermediate grants rounds have been replaced with the Community Grants which are available throughout the year.

Types of Grants given in 2023 excluding Community Grants:

Bursary/Scholarships	11
Creation of Artwork	10
Education/Lecture	14
Event	5
Internship	1
Museum/Gallery	1
Training/Tuition	4
Heritage Volunteering	1
Young Arts/Arts Volunteering	28
Other	8

Overall funding given £173,218.80

In 2023, our grants benefitted over 28,500 people. Our grants improve access to the arts, enable arts and crafts practitioners to pursue and progress their chosen careers, improve people's life-chances and health and well-being, and bring people together across the generations and across racial and demographic boundaries.

Here is what some of them had to say:

"I really appreciate being awarded the bursary. I recently lost my job so couldn't afford the course; coming here has been really beneficial for my mental health" - participant on Making Space for Craft's 'Making a Difference' programme.

Castle Bromwich Hall and Gardens Trust said a grant from The Arts Society helped 'support our longer term goals to make the Gardens known for creative and cultural activity.'

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Brighton Youth Centre received a grant from us for a youth theatre project involving young people from diverse and underrepresented backgrounds who would not otherwise engage in the arts. Our grant enabled young people to “share creativity; ideas; come up with incredible performances.”

The recipient of a bursary to study at the Textile Conservation Centre in Glasgow wrote; “It is difficult for me to communicate how grateful I am to the Arts Society for giving me the opportunity to study Textile Conservation, a discipline I have long aspired to work in on account of my passion for textiles.”

**Studio:**

The traditional model of The Arts Society is as relevant as it has ever been, delivering high-quality arts education to local groups across the UK and abroad. The local Societies, through which we deliver our current arts content, are embedded in hundreds of communities, bringing together people with a shared interest in the arts through live events and cultural outings.

However, this model is no longer sufficient, by itself, to satisfy the proper fulfilment of the Charity’s objects. To carry on delivering our charitable objects we have decided to invest resources in building new capabilities and expand our business model. CULTUR.ART, which will be the key product of the newly created ‘Studio’, is designed to reach new audiences, and increase our impact by creating content for people who are not traditionally interested in the arts. We believe we can ‘make art mean more to more people’ through a fresh approach of arts education and appreciation, and in doing so we want to elevate the role of the arts in people’s lives and in society. By creating The Arts Society Studio we also want to future-proof The Arts Society by building our audience of the future.

The Arts Society Trustees approved plans for the creation of the Studio in July 2023 and signed off a new strategy in September 2023. As of January 2024, the team for the Studio was in place and production commenced in February, launching the CULTUR.ART content.

In December 2023 the Trustees signed off on a fundraising strategy that seeks to raise £600,000 in the first year towards the costs of running the Studio, with a further £500,000 in year 2. The Trustees have backed the Studio for a 2-year funding runway, but any donations or grants towards this project will offset costs and aid the charity in delivering its objects and reach more people through the arts.

**What is CULTUR.ART?**

An accessible digital destination where art in all its forms can be explored in new ways sparking new ideas building-digitally led communities around fresh perspectives.

Through CULTUR.ART, we want to make art mean more for the next generation of art lovers, while tapping into a technological zeitgeist that will ensure they engage more meaningfully and more valuably, every day.

**How does CULTUR.ART work?**

We will create content (video, stills, audio, articles) that offers everyone inspiration from the arts to help them achieve fulfilment in their lives.



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We will create a content marketing mix across channels to promote "Self-fulfilment through the Arts", creating arts content that will bring users closer to themselves, give them joy, improve their well-being, and help them overcome challenges. We want to refocus the position and meaning of art within our lives and encourage the audience to see the arts as a resource they can use.

This provides a reason and an entry point for people to explore the world of the arts, that might otherwise feel irrelevant or inaccessible.

Our audience:

We will 'fish where the fishes are' by publishing this content primarily on online platforms and by 2025 we plan to create live events to complement the digital offering and through partnerships with galleries and venues.

We've identified a group that combines openness to the arts with a strong interest in seeking out new ideas and perspectives. The perfect audience for Cultur.Art. We call them the Restlessly Curious.

How does CULTUR.ART support our charitable objectives?

By positioning the arts as a route to self-fulfilment, we'll motivate significant numbers of people to move from limited to more frequent and deeper engagement with the arts.

Cultur.Art will be free for users and accessible to anyone with an internet connection. It will be funded by a mix of grants and donations from individual users.

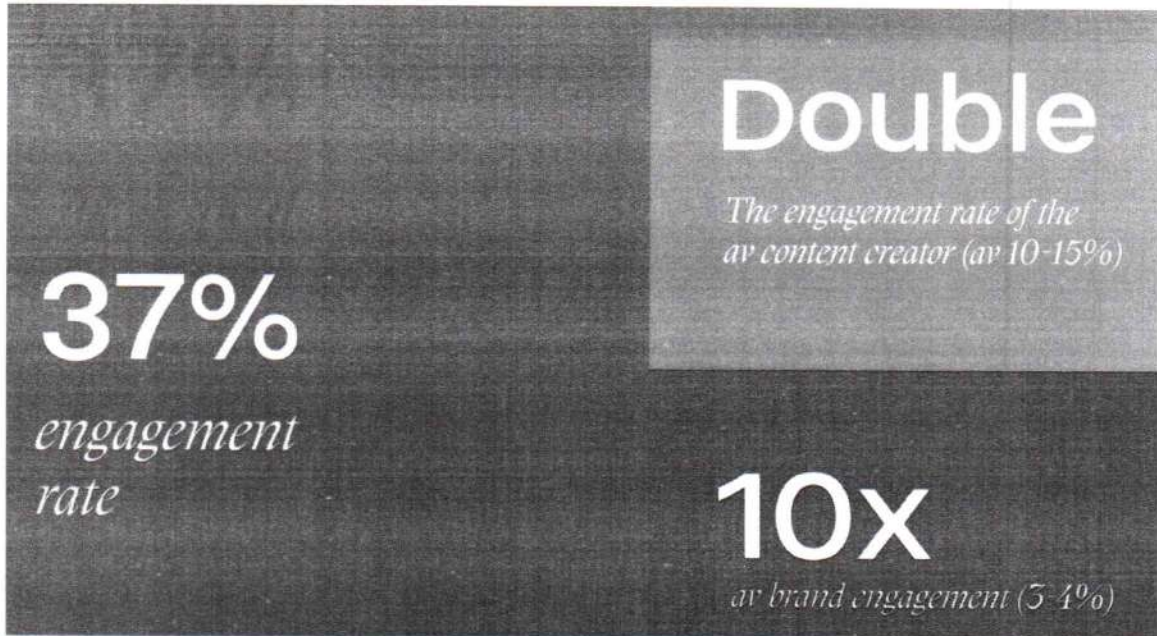
CULTUR.ART has been tested in the real world

We've undertaken a pilot of Cultur.Art on TikTok. This has shown that the demand for this type of content exists and that we can produce it in a cost-effective and efficient manner.



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**Property:**

Following extensive work by the Trustees and Premises Working Group, the building at 8 Guilford Street was sold on 16 February 2023. This allowed the staff to move to more flexible office premises and move to a fully hybrid working model. This has improved productivity, staff morale and has made significant financial savings from ongoing running costs, and the removal of future liabilities. The proceeds from the building were transferred to the Premises (designated) Fund and were invested by our Investment Managers pending a decision on future premises requirements. In July 2023 the Trustee Board made the decision that investing in property would not be something which would be in the best interests of the charity in the short or medium term. At this point the Premises fund was closed, and the funds were transferred to the Strategic Development Fund, which will support the implementation of the new strategy.

**Future Plans**

The Membership offering will be strengthened through the utilisation of Facebook, changes to the magazine and training, with a greater emphasis on localism.

Societies will be supported as they embark on digital transformation. As Society audiences change from Baby Boomers to Generation X, they will expect a different membership experience that includes digital interactions with societies. We want to help you manage these new expectations, and will do so through an upgraded Training programme, along with training and networking between Societies. This is a vital part of our service and we will make this even more accessible and user friendly.

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The Service Recharge will on a trial basis (for 2 years) be reduced through an experimental reapportionment of costs.

We will carry out upgrades to the central website & resources area. A full review and overhaul of our websites will be undertaken to ensure that this is effective.

A social media campaign aimed at 55-65 years olds will be launched. Our member research has shown that 45% of Members use Facebook; and 33% of all Facebook users in the UK are over 45 years old - an ideal platform and opportunity to raise awareness for The Arts Society in a measurable, cost-effective and targeted manner.

The popular Community Grants will continue and they have proven to be effective in supporting Societies to forge local connections with other organisations. It also helps with grassroots outreach efforts.

Toolkits for local marketing, communication and membership experience campaigns will be made available. We will create simple and adaptable plans for Societies to run their own campaigns to raise awareness and attract new members.

We are reviewing our service of supplying posters and other promotional materials to Societies. We are aiming to provide this service more cost-effectively.

During this strategic period our AGMs will be held online. Town Hall Meetings will continue to be held twice every year. Areas will continue to provide the usual services. Areas without an Area Support Team will receive additional support from Staff and the National Support Team.

The 2023-26 strategy poses that "we must invest resources in building new capabilities and expanding our business model to reach *a more diverse range of* audiences in new places. We will do this by prioritising technology and digital channels in our future planning and investment decisions." To deliver against this strategy we have created a 3-year digital roadmap that pursues 3 targets

- improve digital stakeholder and social media engagement;
- focus on new digital content creation;
- build more digital recruitment and retention capabilities;
- provide volunteers with simple tools to run Societies.

A substantial plan has been created to deliver against these targets. The Arts Society Studio will be responsible for new digital content creation and social media engagement under the CULTUR.ART brand, whilst local Societies will benefit from dedicated resources for

- Social Media awareness campaign with Societies;
- Social Media engagement with Members;
- Improved web interfaces for users of our website;
- Modernised membership sign ups and renewals processes;
- More user-friendly experiences for volunteers and committee members;
- More automation to deliver membership services at value for money;
- Improved data management to improve business intelligence;

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- Improved identity and access management;
- Online training

Our methodology builds on an agile development process, with incremental changes being implemented. In doing so we are following the template established by the redevelopment of the Directory in 2023, which enabled a smooth transition from the old Directory to a user-centred, streamlined and more powerful tool for Societies and Lecturers alike.

**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 1.

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

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**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 2023 was 89% (2022 – 90%).

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 three times a year and is chaired by the Treasurer.

The Remuneration and Nominations 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 at least 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.

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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 2023 was 43% (2022 - 40%).

**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

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mitigate the risk. On-going review and appraisal of risk takes place through the Finance Audit and Risk 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 are monitoring the issue of declining membership very closely to both mitigate where possible and provide timely responses which can be deployed as necessary. This forms a key part of the strategic plan and development of new products which will be deployed in 2024.

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 Remuneration and Nominations 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 income of £1,726,979 (2022: £835,723 net expenditure) which was mainly due to the sale of the Guilford Street office and relocation to more fit for purpose premises during the year.

The position on the general fund (excluding unrealised investment losses) was net expenditure of £21,527. A deficit budget had originally been set, however, a recovery in commercial income, and close management of all expenditure lines led to an improved outturn.

The net expenditure on the designated funds (excluding the exceptional income relating to the property sale) 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". The policy looks to achieve an annual return of CPI + 3%. In addition to this holding, some funds are invested with CCLA in their Charities Income Fund thereby providing a useful benchmark.

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**Reserves Policy**

The total fund balances at 31 December 2023 were £3,765,485 (2022: £2,038,506) of which £3,081,960 (2022: £1,374,851) relates to designated funds. There are currently no restricted funds held. The balance of £683,525 represents the unrestricted general funds of the group of which £535,203 are free reserves.

The group target for 2023 on general reserve funds was to maintain a level of reserves equivalent to 6 months' general fund 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 general fund expenditure for 2024 the current level of reserves represents 6 months' (2022 – 5 months) of undesignated expenditure. Cash reserves at 31 December 2023 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 2023 and will be reviewed again in 2024.

**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 2023
- The Patricia Fay Memorial Fund and the Zena Walker Fund

- Strategic 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. The Premises fund which was closed in 2023 was transferred into this fund.

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 Remuneration and Nominations 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.



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**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:

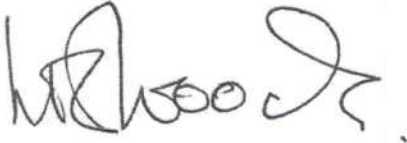
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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**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.

A handwritten signature in black ink, appearing to read 'MK Smith', is written over the text 'The Trustees'.

The Trustees

15 March 2024

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL ASSOCIATION OF DECORATIVE AND FINE ARTS SOCIETIES**

**Opinion**

We have audited the financial statements of The National Association of Decorative and Fine Arts Societies (operating as "The Arts Society") (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 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 2023 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

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information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 their environment obtained in the course of the audit, we have not identified material misstatements in [the strategic report or] 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 13, 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

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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 151 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.

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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**

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES  
TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

*Moore Kingston Smith LLP*

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

Date: *26 MARCH 2024*

9 Appold Street  
London  
EC2A 2AP

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

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	GENERAL 2023 £	DESIGNATED 2023 £	TOTAL 2023 £	TOTAL 2022 £
<b>INCOME AND ENDOWMENTS</b>					
<b>Charitable activities</b>					
Subscriptions and fees from members		1,102,570	5,988	1,108,558	1,037,789
Educational course fees and events	2	13,351	89,486	102,837	138,617
<b>Investment Income</b>					
Investment Income	2	108,628	14,524	123,152	42,000
<b>Donations and Legacies</b>					
Donations and Legacies	2	3,064	643	3,707	2,821
Gift Aid	2	-	68,314	68,314	63,221
Grant income		-	-	-	5,692
<b>Other trading activities</b>					
Trading subsidiaries income	3	306,311	-	306,311	222,205
<b>Other income</b>					
Other income	2	3,343	5,422	8,765	9,329
<b>Total Income</b>		<b>1,537,267</b>	<b>184,377</b>	<b>1,721,644</b>	<b>1,521,674</b>
<b>EXPENDITURE</b>					
<b>Raising funds</b>					
Gift Aid - Societies' administration fees	2	-	18,210	18,210	19,389
Investment managers fees		25,804	-	25,804	-
Trading subsidiaries expenditure	3	356,544	-	356,544	363,281
<b>Total cost of raising funds</b>		<b>382,348</b>	<b>18,210</b>	<b>400,558</b>	<b>382,670</b>
<b>Charitable activities</b>					
Education courses and events	2	-	89,695	89,695	101,113
Education	2,4	314,332	224,190	538,522	441,380
Volunteering	2,4	299,307	-	299,307	305,797
Membership Services	2,4	562,807	311,352	874,159	882,835
<b>Total Charitable expenditure</b>		<b>1,176,446</b>	<b>625,237</b>	<b>1,801,683</b>	<b>1,731,124</b>
<b>Total expenditure</b>		<b>1,558,794</b>	<b>643,447</b>	<b>2,202,241</b>	<b>2,113,794</b>
<b>Net (expenditure)</b>		<b>( 21,527)</b>	<b>(459,070)</b>	<b>( 480,597)</b>	<b>(592,120)</b>
<b>Net gain / (loss) on investment assets</b>	8	<b>41,397</b>	<b>22,226</b>	<b>63,623</b>	<b>(243,603)</b>
<b>Net gain / (loss) on sale of fixed assets</b>	2a	<b>-</b>	<b>2,143,953</b>	<b>2,143,953</b>	<b>-</b>
<b>Net income / (expenditure)</b>		<b>19,870</b>	<b>1,707,109</b>	<b>1,726,979</b>	<b>( 835,723)</b>
Gross transfers between funds	2	-	-	-	-
<b>Net movement in funds</b>		<b>19,870</b>	<b>1,707,109</b>	<b>1,726,979</b>	<b>( 835,723)</b>
Total funds brought forward		663,655	1,374,851	2,038,506	2,874,228
<b>Total funds carried forward</b>	2,13	<b>683,525</b>	<b>3,081,960</b>	<b>3,765,485</b>	<b>2,038,506</b>

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.



THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5	18,315	747,582	18,315	747,582
Intangible assets	6	130,007	97,807	130,007	97,807
Investments	8	3,863,725	1,552,309	3,898,725	1,587,309
		<b>4,012,047</b>	<b>2,397,698</b>	<b>4,047,047</b>	<b>2,432,698</b>
<b>Current assets</b>					
Stock & work in progress		7,821	9,872	-	-
Debtors	7	140,651	88,047	36,130	26,363
Cash at bank and in hand		345,724	385,505	176,237	247,443
		<b>494,196</b>	<b>483,424</b>	<b>212,367</b>	<b>273,806</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	9	(740,759)	(842,617)	(668,620)	(770,790)
<b>Net current assets / (liabilities)</b>		<b>(246,563)</b>	<b>(359,193)</b>	<b>(456,253)</b>	<b>(496,984)</b>
<b>Net assets</b>		<b>3,765,485</b>	<b>2,038,506</b>	<b>3,590,795</b>	<b>1,935,715</b>
<b>The Funds of the Charity</b>					
Unrestricted funds		508,836	560,864	508,836	560,864
Non-charitable trading subsidiaries	3	174,689	102,791	-	-
<b>TOTAL GENERAL FUNDS</b>		<b>683,525</b>	<b>663,655</b>	<b>508,836</b>	<b>560,864</b>
Designated funds	2	3,081,960	1,374,851	3,081,960	1,374,851
<b>Total funds</b>	13	<b>3,765,485</b>	<b>2,038,506</b>	<b>3,590,796</b>	<b>1,935,715</b>

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.

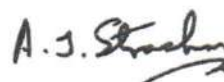
As permitted by section 408 Companies Act 2006, the company has not presented its own income statement and related notes. The Charity's surplus for the year was £1,655,080 (2022: deficit £896,916)

Company registration number: 04307984

Approved by the Board on 15 March 2024 and signed on its behalf by:



Liz Woods  
Chair



Anthony Strachan MBA, FCG  
Treasurer

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
<b>Cash flow from operating activities</b>		
Net cash provided by operating activities	(687,096)	(508,755)
<b>Cash flows from investing activities</b>		
Investment income and interest received	123,152	42,000
Proceeds from disposal of fixed asset investments	596,015	-
Payments to acquire fixed asset investments	(2,843,809)	-
Proceeds from disposal of tangible fixed assets	2,880,000	-
Payments to acquire tangible and intangible fixed assets	(108,043)	(56,809)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(39,781)</b>	<b>(523,564)</b>
Cash and cash equivalents at beginning of year	385,505	909,068
<b>Cash and cash equivalents at end of year</b>	<b>345,724</b>	<b>385,505</b>
<b>Reconciliation of net (expenditure) to net cash flow from operating activities</b>		
	2023	2022
	£	£
<b>Net income / (expenditure) including endowments</b>	<b>1,726,979</b>	<b>(835,723)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	69,066	84,326
Net (gains) / losses on investments	(63,623)	243,603
Investment income	(123,152)	(42,000)
(Profit) / loss on sale of fixed assets	(2,143,953)	-
(Increase) / decrease in stock	2,049	2,422
(Increase) / decrease in debtors	(52,604)	32,938
Increase / (decrease) in creditors	(101,858)	5,679
<b>Net cash provided by operating activities</b>	<b>(687,096)</b>	<b>(508,755)</b>

## THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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 charitable 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.

Investment and other income is included in the period to which it relates.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(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 was maintained in a constant state of sound repair up until its sale; 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.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

- 1 ACCOUNTING POLICIES (CONTINUED)
- (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.
- (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.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2a GROUP DESIGNATED FUNDS

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

	Patricia Fay Memorial	Zena Walker Bequest	Property	Strategic Development	Areas	Total
	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£
<b>Income</b>						
<b>Donations and legacies</b>						
Subscriptions and fees from members	-	-	-	-	5,988	5,988
Gift Aid	68,314	-	-	-	-	68,314
Donations legacies and similar income	643	-	-	-	-	643
Educational course fees and events	-	-	-	-	89,486	89,486
<b>Other income</b>						
Other income	-	-	-	-	-	-
<b>Investment income</b>						
Bank interest	3,989	-	-	-	-	-
Investment Income	8,743	1,726	-	-	66	4,055
<b>Total incoming resources</b>	<b>81,689</b>	<b>1,726</b>	<b>-</b>	<b>-</b>	<b>100,962</b>	<b>184,377</b>
<b>Expenditure</b>						
<b>Costs of generated funds</b>						
Gift Aid - Societies' administration fees	18,210	-	-	-	-	18,210
Education courses and events	-	-	-	-	89,695	89,695
<b>Charitable activities</b>						
Grants	194,463	29,727	-	-	-	224,190
Area awards	-	-	-	-	20,078	20,078
Disposal costs	-	-	-	-	-	-
Membership services general	14,016	-	61,860	187,561	27,837	291,274
<b>Total expenditure</b>	<b>226,689</b>	<b>29,727</b>	<b>61,860</b>	<b>187,561</b>	<b>137,610</b>	<b>643,447</b>
<b>Net income / (expenditure) before transfers</b>	<b>(145,000)</b>	<b>(28,001)</b>	<b>(61,860)</b>	<b>(187,561)</b>	<b>(36,648)</b>	<b>(459,070)</b>
<b>Transfers</b>						
<b>Gross transfers between funds</b>						
Strategic Development Fund	(107,196)	-	(2,772,815)	2,880,011	-	-
<b>Net incoming resources before other recognised gains and losses</b>	<b>(252,196)</b>	<b>(28,001)</b>	<b>(2,834,675)</b>	<b>2,692,450</b>	<b>(36,648)</b>	<b>(459,070)</b>
<b>Other recognised gains</b>						
Net gains / (losses) on investment assets	23,704	(1,478)	-	-	-	22,226
Net gains / (losses) on the sale of fixed assets	-	-	2,143,953	-	-	2,143,953
<b>Net movement in funds</b>	<b>(228,492)</b>	<b>(29,479)</b>	<b>(690,722)</b>	<b>2,692,450</b>	<b>(36,648)</b>	<b>1,707,109</b>
<b>Funds brought forward</b>	<b>329,376</b>	<b>178,248</b>	<b>690,722</b>	<b>-</b>	<b>176,503</b>	<b>1,374,849</b>
<b>Funds carried forward</b>	<b>100,884</b>	<b>148,769</b>	<b>-</b>	<b>2,692,450</b>	<b>139,855</b>	<b>3,081,960</b>

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

- i) Patricia Fay Memorial Fund  
This fund 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 were invested in the property for the use by the Charity and were therefore not available for other purposes. The proceeds from the disposal of 8 Guilford Street were added to this prior to its closure in July 2023.
- v) Strategic Development Fund  
The Strategic Development fund was initially established in 2019 as the Development Fund to support the strategic development of the organisation. It was historically funded from the reallocation of donations and legacies received in earlier periods, and subsequently the redesignation of the Property Fund upon its closure.
- vi) 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.  
Comparative figures for each fund can be found in Note 2b.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2b GROUP DESIGNATED FUNDS

	Patricia Fay Memorial	Zena Walker Bequest	Property	Strategic Development	Areas	Affiliation Fee	Total
	2022	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£	£
<b>Income</b>							
<b>Donations and legacies</b>							
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
<b>Other income</b>							
Other income	-	-	-	-	9,329	-	9,329
<b>Investment income</b>							
Bank interest	3,989	-	-	-	1	-	3,990
Investment Income	7,754	1,604	-	-	-	-	9,358
<b>Total incoming resources</b>	<b>74,964</b>	<b>1,604</b>	<b>-</b>	<b>-</b>	<b>131,028</b>	<b>-</b>	<b>207,596</b>
<b>Expenditure</b>							
<b>Costs of generated funds</b>							
Gift Aid - Societies' administration fees	19,389	-	-	-	-	-	19,389
Education courses and events	-	-	-	-	101,113	-	101,113
<b>Charitable activities</b>							
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
<b>Total expenditure</b>	<b>189,232</b>	<b>-</b>	<b>14,631</b>	<b>168,794</b>	<b>191,225</b>	<b>-</b>	<b>563,882</b>
<b>Net income / (expenditure) before transfers</b>	<b>(114,268)</b>	<b>1,604</b>	<b>(14,631)</b>	<b>(168,794)</b>	<b>(60,197)</b>	<b>-</b>	<b>(356,286)</b>
<b>Transfers</b>							
<b>Gross transfers between funds</b>							
Development Fund	(142,804)	-	-	142,804	-	-	-
Affiliation Fee	-	-	-	-	-	(126,000)	(126,000)
<b>Net incoming resources before other recognised gains and losses</b>	<b>(257,072)</b>	<b>1,604</b>	<b>(14,631)</b>	<b>(25,990)</b>	<b>(60,197)</b>	<b>(126,000)</b>	<b>(482,286)</b>
<b>Other recognised (losses) / gains</b>							
Net gains on investment assets	(132,004)	(26,385)	-	-	-	-	(158,389)
<b>Net movement in funds</b>	<b>(389,076)</b>	<b>(24,781)</b>	<b>(14,631)</b>	<b>(25,990)</b>	<b>(60,197)</b>	<b>(126,000)</b>	<b>(640,675)</b>
<b>Funds brought forward</b>	<b>718,452</b>	<b>203,029</b>	<b>705,353</b>	<b>25,990</b>	<b>236,700</b>	<b>126,000</b>	<b>2,015,524</b>
<b>Funds carried forward</b>	<b>329,376</b>	<b>178,248</b>	<b>690,722</b>	<b>-</b>	<b>176,503</b>	<b>-</b>	<b>1,374,851</b>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Turnover	435,424	434,486	130,869	54,921	566,293	489,407
Cost of sales	(341,957)	(345,880)	-	-	(341,957)	(345,880)
<b>Gross profit</b>	<b>93,467</b>	<b>88,606</b>	<b>130,869</b>	<b>54,921</b>	<b>224,336</b>	<b>143,527</b>
Administration Expenses	(55,564)	(54,137)	(27,194)	(18,995)	(82,758)	(73,132)
Other income	833	118	-	-	833	118
<b>Profit / (Loss) before taxation</b>	<b>38,736</b>	<b>34,587</b>	<b>103,675</b>	<b>35,926</b>	<b>142,411</b>	<b>70,513</b>
Taxation	-	-	-	-	-	-
<b>Profit / (Loss) after taxation</b>	<b>38,736</b>	<b>34,587</b>	<b>103,675</b>	<b>35,926</b>	<b>142,411</b>	<b>70,513</b>
<b>Retained profit brought forward</b>	<b>66,865</b>	<b>32,349</b>	<b>35,926</b>	<b>9,249</b>	<b>102,791</b>	<b>41,598</b>
Gift aid distribution	(34,588)	(71)	(35,925)	(9,249)	(70,513)	(9,320)
<b>Profit retained carried forward</b>	<b>71,013</b>	<b>66,865</b>	<b>103,676</b>	<b>35,926</b>	<b>174,689</b>	<b>102,791</b>
<b>Capital and Reserves</b>						
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
Profit and Loss Account	71,013	66,865	103,676	35,926	174,689	102,791
<b>Shareholders' Funds</b>	<b>76,013</b>	<b>71,865</b>	<b>133,676</b>	<b>65,926</b>	<b>209,689</b>	<b>137,791</b>

Turnover of NEL (Company no 1923665) in 2023 includes £260,814 (2022 - £273,513) 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 £45,327 (2022 - £40,803) and of Tours of £22,844 (2022 - £14,928).



THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 EXPENDITURE

a) DIRECT STAFF COSTS AND EMPLOYEES

	Group General	Group General
	2023	2022
	£	£
Salaries	563,551	576,440
Pension contributions	52,182	62,109
Social Security costs	60,346	51,220
	<u>676,079</u>	<u>689,769</u>

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

	2023	2022
	Number	Number
£60,000 - £69,999	1	-
£80,000 - £89,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 2 (2022: 2). These pension contributions totalled £20,183 (2022: £18,731)

b) STAFF NUMBERS

The average number of staff employed was 10 (2022: 11) and the average number of full-time equivalent employees (including casual and part time staff) during the period was as follows:

	2023	2022
	Number	Number
Education	2	1
Volunteering	1	2
Membership Services	7	8
	<u>10</u>	<u>11</u>

c) TRUSTEES AND KEY MANAGEMENT PERSONNEL

A total of £24,814 (2022: £12,619) was reimbursed to 9 (2022: 9) 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 (2022: -£Nil)

Key management personnel include the Trustees, Chief Executive, and Chief Operating Officer. Total remuneration was £263,546 (2022: £241,792)

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	Group
	2023	2022
	£	£
Audit	26,503	24,701
Taxation services	2,680	2,525

f) DEPRECIATION / AMORTISATION

Depreciation / amortisation on owned assets	<u>69,066</u>	<u>81,081</u>
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g) ANALYSIS OF GRANTS AWARDED IN THE YEAR

	Number 2023	Number 2022	Group 2023	Group 2022
			£	£
Designated Funds				
Education grants	279	169	224,190	155,961
	<u>279</u>	<u>169</u>	<u>224,190</u>	<u>155,961</u>

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

**4 EXPENDITURE**

**h) ALLOCATION OF SUPPORT COSTS AND OVERHEADS**

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

<b>2023</b>	<b>Education</b>	<b>Volunteering</b>	<b>Membership Services</b>	<b>Governance</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs directly allocated to activities</b>					
Staff Costs	108,701	123,915	238,128	58,138	528,882
Staff and Volunteering expenses	1,548	7,762	16,865	46,165	72,340
Grants	-	-	-	-	-
Publicity and events costs	46,494	175	1,129	13,378	61,176
Legal and Professional fees (inc Audit fees)	-	-	-	88,188	88,188
Support costs directly allocated	-	13,179	15,288	17,321	45,788
<b>Total Direct Costs</b>	<b>156,743</b>	<b>145,031</b>	<b>271,410</b>	<b>223,190</b>	<b>796,374</b>
<b>Support costs apportioned to activities by usage</b>					
Staff Costs	44,389	41,073	76,863	-	162,325
Staff and Volunteer expenses	792	732	1,371	-	2,895
Information Technology	14,475	13,394	25,065	-	52,934
General Office	3,815	3,526	6,284	-	13,625
Premises	15,039	13,915	26,041	-	54,995
Stationery, Printing, Postage and Telephone	7,122	6,590	12,333	-	26,045
Depreciation	18,391	17,017	31,845	-	67,253
Governance costs allocated to activities	53,566	58,029	111,595	(223,190)	-
<b>Total Support Costs</b>	<b>157,589</b>	<b>154,276</b>	<b>291,397</b>	<b>(223,190)</b>	<b>380,072</b>
<b>Total General Fund Expenditure</b>	<b>314,332</b>	<b>299,307</b>	<b>562,807</b>	<b>-</b>	<b>1,176,446</b>

<b>2022</b>	<b>Education</b>	<b>Volunteering</b>	<b>Membership Services</b>	<b>Governance</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs directly allocated to activities</b>					
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
<b>Total Direct Costs</b>	<b>149,246</b>	<b>159,569</b>	<b>311,421</b>	<b>186,969</b>	<b>807,205</b>
<b>Support costs apportioned to activities by usage</b>					
Staff Costs	34,685	37,084	72,375	-	144,144
Staff and Volunteer 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)	-
<b>Total Support Costs</b>	<b>136,173</b>	<b>146,228</b>	<b>283,995</b>	<b>(186,969)</b>	<b>379,426</b>
<b>Total General Fund Expenditure</b>	<b>285,419</b>	<b>305,797</b>	<b>595,416</b>	<b>-</b>	<b>1,186,631</b>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 TANGIBLE FIXED ASSETS

	Group & Charity Freehold Property	Group & Charity Furniture, Fixtures & Equipment	Total
	£	£	£
Cost			
As at 1 January	824,824	169,712	994,536
Additions in the period	-	20,381	20,381
Disposals in the period	(824,824)	(140,473)	(965,297)
As at 31 December	<u>-</u>	<u>49,620</u>	<u>49,620</u>
Depreciation			
As at 1 January	98,164	148,790	246,954
Charge for period	0	13,604	13,604
Disposals in the period	(98,164)	(131,089)	(229,253)
As at 31 December	<u>-</u>	<u>31,305</u>	<u>31,305</u>
Net Book Value			
31 December 2023	<u>-</u>	<u>18,315</u>	<u>18,315</u>
31 December 2022	<u>726,660</u>	<u>20,922</u>	<u>747,582</u>

On 16 February 2023 the charity sold their freehold property for £2,880,000. The funds from the sale have been designated in the Strategic Development Fund.

6 INTANGIBLE FIXED ASSETS

	Website £
Cost	
As at 1 January	224,750
Additions in the period	87,662
As at 31 December	<u>312,412</u>
Amortisation	
As at 1 January	126,943
Charge for period	55,462
As at 31 December	<u>182,405</u>
Net Book Value	
31 December 2023	<u>130,007</u>
31 December 2022	<u>97,807</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 DEBTORS

Amounts falling due in one year:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	105,593	61,684	1,072	-
Other debtors	3,021	2,024	3,021	2,024
Prepayments & accrued income	32,037	24,339	32,037	24,339
	<u>140,651</u>	<u>88,047</u>	<u>36,130</u>	<u>26,363</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 INVESTMENTS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Unrestricted Funds				
<u>Unlisted investment - at cost</u>				
Subsidiary companies:				
- NADFAS Enterprises Ltd	-	-	5,000	5,000
- NADFAS Tours Ltd	-	-	30,000	30,000
<u>Listed Investments - at market value</u>				
Rathbone Group Plc managed portfolio	3,529,705	957,084	3,529,705	957,084
<u>Equity Units/Shares:</u>				
CCLA COIF income units	334,020	595,225	334,020	595,225
	<u>3,863,725</u>	<u>1,552,309</u>	<u>3,898,725</u>	<u>1,587,309</u>

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Reconciliation of movement in investments:				
As at 1 January	1,552,308	1,795,911	1,587,308	1,830,911
Additions	2,843,809	-	2,843,809	-
Disposal proceeds	(596,015)	-	(596,015)	-
Net (losses) / gains on investments	63,623	(243,603)	63,623	(243,603)
Market value at 31 December	<u>3,863,725</u>	<u>1,552,308</u>	<u>3,898,725</u>	<u>1,587,308</u>
Historical cost	<u>3,721,859</u>	<u>1,390,915</u>	<u>3,756,859</u>	<u>1,425,915</u>

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

**9 CREDITORS: amounts falling due within one year**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
General Funds:				
Trade creditors	43,937	26,134	43,937	26,134
Other creditors	-	3,377	-	3,377
Amount due to subsidiary	-	-	6,193	-
Other taxes and social security costs	40,711	35,412	25,775	23,719
Accruals	53,179	42,062	42,193	31,527
Deferred income	129,012	215,712	76,602	166,113
Designated Funds:				
Loans - Patricia Fay Memorial Fund	473,920	519,920	473,920	519,920
	<u>740,759</u>	<u>842,617</u>	<u>668,620</u>	<u>770,790</u>

Charity deferred income for the General Fund at 31 December 2023 includes service recharge fees and insurance charges of £76,602 (2022 - £166,113) received in advance. Group deferred income in addition includes lecturers subscriptions of £52,410 (2022 - £49,599).

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	
	2023 £	2022 £	2023 £	2022 £
As at 1 January	215,712	169,043	166,113	115,308
Amounts deferred during the period	129,012	215,712	76,602	166,113
Amounts released during the period	(215,712)	(169,043)	(166,113)	(115,308)
Balances carried forward as at 31 December	<u>129,012</u>	<u>215,712</u>	<u>76,602</u>	<u>166,113</u>

**11 RELATED PARTY TRANSACTIONS**

NEL charged The Arts Society £254,612 (2022: £267,320) for the production of the magazine. Staff costs totalling £43,327 (2022: £40,803) were recharged to NEL, and £22,844 (2022: £14,928) to Tours.

**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.

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

**13 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	18,315	-	18,315
Intangible fixed assets	130,007	-	130,007
Investments	489,797	3,373,928	3,863,725
Current assets	312,244	181,952	494,196
Creditors: amounts falling due within one year	(266,839)	(473,920)	(740,759)
<b>TOTAL NET ASSETS</b>	<b>683,524</b>	<b>3,081,960</b>	<b>3,765,485</b>

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>TOTAL NET ASSETS</b>	<b>663,655</b>	<b>1,374,851</b>	<b>2,038,506</b>

**14 CAPITAL COMMITMENTS**

There were no contractual obligations at 31 December 2023.