

REGISTERED COMPANY NUMBER: 02380473 (England and Wales)
REGISTERED CHARITY NUMBER: 328202

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 December 2020
for
Society of Designer Craftsmen

Perlin Franco
Chartered Accountants &
Statutory Auditors
Trojan House
34 Arcadia Avenue
London
N3 2JU

Society of Designer Craftsmen

Contents of the Financial Statements
for the Year Ended 31 DECEMBER 2020

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 19

Society of Designer Craftsmen

Report of the Trustees for the Year Ended 31 DECEMBER 2020

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2020.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

In line with our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's public benefit guidance.

The objectives of the Charity are:

- i. To advance the education of the public by the encouragement and promotion of good design and fine craftsmanship particularly of new and original work;
- ii. For the maintenance and enhancement of the high standards of design and craftsmanship;
- iii. For the fostering of public understanding and interest therein; and
- iv. The training and education of new and young Designer-Craftsmen.

Society of Designer Craftsmen

Report of the Trustees

for the Year Ended 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Significant activities in 2020

i. In 2020, the Society continued to pursue its objectives by the presentation of exhibitions, meetings and events that provide both members and the public with the opportunity to see and learn about the work of the Society and its craftsmen and women.

ii. Council elected a new Chair and appointed a Treasurer in 2020. Council also introduced Volunteer Sub-Committees to help share the load of operational tasks. In early 2020, an Exhibition Team, Social Media Team and a Website Team were formed.

iii. The SDC website has continued to develop. All applications for membership are made through the site and a Mentoring Session Booking function was added. Just over half of all subscriptions paid in 2020 were paid via the website. The original developer that created the site shifted their business focus, so Council decided to find a new partner to help maintain the site. The new developer was brought on in December 2020 with a view to make continual improvements to the site's functionality. The website continues to help in promotion of the work of members who are active in their craft, and Society news and events.

iii. The Society held a 10-day exhibition at Oxmarket Gallery in Chichester, showcasing work by 33 members. This exhibition due to the COVID situation was staged just weeks after the first national lockdown for the Covid-19 pandemic was lifted. Despite the challenges, it was successfully organised in just six weeks by our Exhibition Team. The 'Into The Light' exhibition brought record numbers to the gallery and lifted the spirits of members in this difficult time. We also commissioned a promotional film of the exhibition, which is now live on our YouTube channel and will be used as part of a campaign to drive member recruitment.

iv. In 2019, Council took the decision to let the Society's building on Rivington Street in London to generate some income. It is hoped that the income from the letting will not only serve to support activities for the current membership but also enable the Society to further meet its objects in relation to recruiting new Licentiates and engaging with the public and students. The Society received the full contractual rent for 2020.

v. The annual Members Day and AGM at the end of March was cancelled due to the Covid-19 pandemic. Instead, Council arranged an online EGM on 5th June 2020. This later date allowed Council the time to present the Society's updated Articles of Association to the membership with the relevant notice period. The Articles of Association were adopted by the members who voted at the meeting and by proxy.

vi. The Society's new Mentoring Programme was launched in July 2020. This facility is available for Licentiates and Members to book via the website and provides them with an opportunity to have their current work discussed and evaluated, to gain advice and guidance on any part of their practice and to receive help aimed at enhancing their progression and development. The programme was designed in consultation with members to make sure it met their needs. Despite this, take up of the scheme has been slow and we need to revisit this in the future.

vii. The Society has embraced online Zoom meetings in 2020. With the national lockdown in place, Council decided to move the Society's ShareCraft programme online. This included an Instagram Workshop, Society Socials and Studio Safaris where members are given a tour of a member's studio and a making demonstration.

vii. Council conducted a record number of meetings in 2020. With the break-through of online meetings, and to reduce email traffic, it was decided that much shorter and more frequent meetings would be held and in total 28 Zoom Council meetings were hosted.

viii. In 2020, Council built relationships with several professionals who offered their time voluntarily to support us the Society and its activities. Thank you to: Miles Evans - PR, Zoe Cruice - HR Consultant, Ulrika Jonsson Swinburne - Fundraiser, Tamara Scott - Insight Marketing, Tara-Jane Sutcliffe - Charity Leader, Christine Wardle - Freelance Fundraiser, Leon van Heerden - Data Specialist & Problem Solver

Continuing activities:

i. The Society actively promotes and supports the work of recent graduates through its Licentiate scheme.

Society of Designer Craftsmen

Report of the Trustees for the Year Ended 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

- ii. The website continues to prove useful in encouraging established Craftsmen to join the Society.
- iii. The Society's Mentoring Scheme for members provides direct contact with an experienced mentor within the field of the mentee. Business Workshops have also provided new licentiates with valuable information and advice. The Newsletter continues to provide a forum for discussion, offers opportunities both within and outside the Society; it is a means of communication and contact between the membership, council and outside bodies. Council agreed that Interim bulletins would be sent to members to keep them informed of discussions or decisions made at Council Meetings. On the website they are supported by Members News Page which is available for members or Council to publish items for members. Members may also post news on the Public News page.
- iv. We aim to ensure that members and trustees are aware of opportunities offered to Craftsmen by the Winston Churchill Memorial Trust (WMCT), Queen Elizabeth Scholarship Trust (QEST) and the Crafts Council.
- v. The website provides active members with the opportunity to promote their work on their Maker Page. All members are able to post news items and to have discussions within the membership forum.
- vi. Regular online Zoom sessions have improved engagement with members and have been very well-received. Members who do not usually choose to travel for our AGM or exhibitions now have an opportunity to meet other members and learn from each other in talks and demonstrations.

Public benefit

We have maintained membership of other organisations with a view to supporting education, publicity and sustainability of crafts and good craftsmanship. Our exhibition was a showcase of fine crafts and we received great feedback from members of the public about the high standard of the work and the joy they experienced from visiting an exhibition in the time after the national lockdown

Mission statement

The Society of Designer Craftsmen promotes and supports the work of creative thinkers, designers and makers who continue to demonstrate professionalism within the crafts through high standards and exploration of materials and skills.

Volunteers

The Society is supported by members who give freely of their time in order that the work and projects of the Society can be carried out efficiently and cost effectively. Time is given for Council meetings, selection meetings, and assessment of new graduates for membership and upgrades from Licentiate to full Member, the preparation and execution of exhibitions, mentoring and other meetings and day events.

The contribution by volunteers in 2020 is estimated to be 10,000 hours.

The following were Members of Council during 2020:-

Adam Aaronson
Joseph Bray
Marshall Colman
Michel Dembinski - Treasurer
Christine Dove - Chair until March 28th
Kayley Holderness - Chair from March 28th
Simon Jewell - stepped down March 28th
Dan Maier
Yumiko Reynolds - stepped down March 28th
Steve Wager

Society of Designer Craftsmen

Report of the Trustees for the Year Ended 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Regional exhibitions are arranged by individual members and regional groups. We would like to encourage members to form more regional groups and are looking into ways to do this for the benefit of members and the profile of the Society.

The Selection Committee regularly examines direct applications for individual membership and Licentiate status of the Society; it also considers applications for upgrade to full Member from existing Licentiates. Proposals for awards to Fellow are considered by Fellows on Council.

The Covid-19 pandemic caused the cancellation of physical degree shows, making it difficult for Licentiate applications to take place. The Society volunteer effort was directed into providing opportunities for engagement for current Licentiates.

The website is a useful resource for current and potential members and for the public who may wish to commission work or contact a member.

The Mentoring Scheme remains a valuable resource. Sessions can be booked online and carried out by phone, online call or in person.

Marketing and Publicity - the Society recognises that this is of vital importance in order to raise the profile of the Society. Since its launch in late spring 2018 the new website has provided greater exposure for the Society and its history as well as a platform for members to show their work and skills to a wide audience. The Society took advice from a PR professional, Miles Evans, in the run up to the 'Into The Light' exhibition, which proved incredibly useful.

The Social Media Team has worked very hard to build the Society's following on Facebook, Twitter and Instagram. These also serve as communication channels for members of the public with queries, as well as email and telephone. There is a form on the website inviting members of the public to sign up to the Society mailing list to stay up to date with the latest news of events and this has seen a boost in numbers since the exhibition in Aug/Sept.

Investment performance

The Society property on Rivington Street was let for the full year.

FINANCIAL REVIEW

Financial position

The overall financial performance for 2020 shows a net income of £51,248 before revaluation of investment property. Council appointed a Treasurer in March 2020. With his guidance, Council implemented a budget for the year. The letting of 24 Rivington Street has put the Society on a much stronger financial footing. The website has proved beneficial in encouraging applications from other direct applicants both as Licentiates and full Members.

Principal funding sources

The main source of income for the charity in 2020 was from property letting and member subscriptions.

Reserves policy

The Charity has unrestricted cash position as of the 31st December 2020 of £81,924. The liquidity is held in current and savings accounts in the Charity's Bank. In addition, the Charity holds £20,014 in restricted cash.

The Charity establishes a reserve policy every year, and holds, within its unrestricted cash position, £10,000 as a Building Reserve for costs related to the building and a £5,000 contingency reserve. It is expected that Council will approve an increased allocation of £5,000 for each of the building and the contingency reserve.

The contingency reserve of £10,000 will cover more than 12 months of governance, management, finance and support costs in the absence of sufficient income.

Society of Designer Craftsmen

Report of the Trustees for the Year Ended 31 DECEMBER 2020

FUTURE DEVELOPMENTS

The Society will continue to develop its profile through its exhibitions, mentoring programme, regional groups, the website and social media. The reserves we have built up this year are available to be invested in these activities. Since the Planning Application approval was granted the refurbishment of the building has remained on the agenda. The decision to let the building were our first steps towards this aim. To make this a viable option, fundraising will also be necessary.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing document, and it constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Charity reviews its recruitment and appointment of Trustees on an annual basis. Trustees are established and active members of the Charity who have served or are still serving on the Council. In recent years it has been increasingly difficult to recruit Trustees from within the membership with the skills we need to push the Society forward. In 2020, Council looked outside the Society to search for individuals who would be able to help drive the Society's vision.

Organisational structure

The Society consists of a President, Fellows and Honorary Fellows, full Members, Licentiates and Associate members who are all eligible to serve on the Council. With the new website, a Friend Scheme was introduced, whereby those with an interest on craft can support the Society with a smaller fee.

Fellow - Any Member distinguished for services in connection with the crafts may be awarded Fellowship at the discretion of Fellows on Council.

Full Membership - Membership is open to individuals personally involved in the design, control and production of finely crafted works. Members are usually established designer makers with several years' experience.

Licentiate Membership - Licentiatehip is seen as a period of transition for the new designer maker between leaving University or College and becoming established. Applicants are assessed at the completion of a course of study. Alternatively, they may submit their work directly to the Society.

Associate Membership - Associate Membership is offered to Licentiates who have come to the end of their five-year Licentiatehip. They may wish to stay associated with the Society until they are ready to upgrade to full Member status, or they choose to continue as an Associate to support the Society's activities. No selection process is involved. Associates can participate in all aspects of the Society except for exhibiting and voting at the Annual General Meeting. Associate membership may also be offered to members of the public with a keen interest in craft and to non-makers who volunteer for the Society.

Friend - Becoming a Friend is open to all those with a keen interest in the fields of design and fine craftsmanship. No selection process is involved. A small subscription fee is paid to the Society.

Generally, no council member shall serve for more than SIX consecutive years. However, if it is considered to be in the best interests of the Society, a Council member(s) who has/have a specific role within the SDC Council may serve for more than 6 consecutive years.

The Council Chair may serve for a period of 3 years; however if it is considered to be in the interests of the Society, the Chair may be nominated for re-election.

In recruiting new Trustees to Council we consider recommendations from other Trustees and the membership but aim to seek experience relevant to the needs of the organisation.

The Council usually meets between 4 and 6 times per year, although with the introduction of online meetings, Council met a total of 28 times in 2020.

The Society's major income stream is from membership subscriptions. We are making greater use of automatic website payments and our accounting system, XERO, to maintain a full reconciled list of members.

Society of Designer Craftsmen

Report of the Trustees
for the Year Ended 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Trustee training and familiarisation package for current and new Trustees is in development. A Vice Chair is elected normally at the same time as the new Chair. The outgoing Chair is normally responsible for the induction of the new Chair

Wider network

The Society is a member of the National Council for Voluntary Organisations [NCVO]; an affiliate member of the Heritage Crafts Association and liaises with other major crafts associations as necessary.

Related parties

There were no payments to related parties in 2020. Trustees on the Council received travel expenses for attending meetings and conferences.

Trustees' Insurance and Indemnities

The charity has maintained throughout the year Trustees' and officers' liability for the benefit for the Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02380473 (England and Wales)

Registered Charity number
328202

Registered office
Trojan House
34 Arcadia Avenue
London
N3 2JU

Trustees
C Dove
D Thorne
Mr A Aaronson
M Colman
K Holderness
S Jewell
Y Reynolds
S Wager
J Bray
D Maier (appointed 27.3.20)
M Dembinski (appointed 27.3.20)

Auditors
Perlin Franco
Chartered Accountants &
Statutory Auditors
Trojan House
34 Arcadia Avenue
London
N3 2JU

Society of Designer Craftsmen

Report of the Trustees
for the Year Ended 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers
Barclays Bank
PO Box 41
16 High Street
High Wycombe
HP11 2BG

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Society of Designer Craftsmen for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

AUDITORS

The auditors, Perlin Franco, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26 March 2021 and signed on its behalf by:



K Holdemess - Trustee

Report of the Independent Auditors to the Members of
Society of Designer Craftsmen

Opinion

We have audited the financial statements of Society of Designer Craftsmen (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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 requirements of the Companies Act 2006.

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 Auditors' 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Society of Designer Craftsmen

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which they operate.

We determined that the following laws and regulations were most significant: the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by us included:

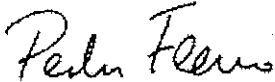
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls;
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Society of Designer Craftsmen

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Faustino Franco (Senior Statutory Auditor)
for and on behalf of Perlin Franco
Chartered Accountants &
Statutory Auditors
Trojan House
34 Arcadia Avenue
London
N3 2JU

26 March 2021

Society of Designer Craftsmen

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 DECEMBER 2020

	Notes	31.12.20 Unrestricted funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	631	932
Charitable activities	4		
Direct Charitable		26,943	21,652
Investment income	3	40,024	56
Total		67,598	22,640
 EXPENDITURE ON			
Charitable activities	5		
Direct Charitable		4,224	2,900
Other		11,944	28,938
Total		16,168	31,838
Net gains on investments		-	763,228
NET INCOME		51,430	754,030
 RECONCILIATION OF FUNDS			
Total funds brought forward		953,202	199,172
 TOTAL FUNDS CARRIED FORWARD		1,004,632	953,202

The notes form part of these financial statements

Society of Designer Craftsmen

Balance Sheet
31 DECEMBER 2020

	Notes	31.12.20 Unrestricted funds £	31.12.19 Total funds £
FIXED ASSETS			
Tangible assets	11	931,146	932,100
CURRENT ASSETS			
Debtors	12	2,730	734
Cash at bank		101,938	61,535
		<hr/> 104,668	<hr/> 62,269
CREDITORS			
Amounts falling due within one year	13	(31,182)	(41,167)
		<hr/> 73,486	<hr/> 21,102
NET CURRENT ASSETS			
		<hr/> 1,004,632	<hr/> 953,202
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 1,004,632	<hr/> 953,202
NET ASSETS			
FUNDS	14		
Unrestricted funds		1,004,632	953,202
TOTAL FUNDS		<hr/> <hr/> 1,004,632	<hr/> <hr/> 953,202

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 March 2021 and were signed on its behalf by:



K Holderness - Trustee



M Dembinski - Trustee

The notes form part of these financial statements

Society of Designer Craftsmen

Notes to the Financial Statements for the Year Ended 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The presentational and functional currency is sterling and the level of rounding is the nearest £.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Income

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

Expenditure

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

Allocation and apportionment of costs

Costs are allocated into Charitable Activities Costs, Support Costs and Governance Costs. Support costs are analysed between management and finance costs.

Tangible fixed assets

Tangible fixed assets held for the charity's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-2% on cost
Improvements to property	-2% on cost
Computer equipment	-33% on cost
Fixtures and fittings	-25% on reducing balance

Investment property

Investment properties are included at fair value. No depreciation is provided in respect of the investment properties. The policy of non-depreciation, is, in the opinion of the trustees, necessary for the financial statements to give a true and fair view. The investment properties will maintain a long useful economic life and high residual value through the policy of regular maintenance and repair such that the assets are kept to the previously assessed levels.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Fund accounting

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

Cash and Cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions.

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Debtors

Prepayments are valued at the amount prepaid net of any trade discount due.

Creditors and provisions

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Income received in advance of contracted service delivery is deferred until the criteria for income recognition are met.

Financial Instruments

The organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	631	932
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Rental Income	40,000	-
Deposit account interest	24	56
	<u> </u>	<u> </u>
	<u>40,024</u>	<u>56</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.20	31.12.19
	Activity	£	£
Subscriptions	Direct Charitable	22,156	21,533
Exhibitions	Direct Charitable	4,547	-
Assessment fees	Direct Charitable	206	119
Mentoring	Direct Charitable	34	-
		<u> </u>	<u> </u>
		<u>26,943</u>	<u>21,652</u>

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £
Direct Charitable	<u>4,224</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.20 £	31.12.19 £
Exhibition costs	1,247	-
Venue and conferences	1,425	1,362
Travel Expenses	92	563
Member Events	208	252
Gallery Light	(32)	222
Storage	1,284	501
	<u>4,224</u>	<u>2,900</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Other resources expended	<u>6,891</u>	<u>253</u>	<u>4,800</u>	<u>11,944</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20 £	31.12.19 £
Audit & Accountancy fees	4,800	4,647
Depreciation - owned assets	954	5,699
	<u>5,754</u>	<u>10,346</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

The number of trustees reimbursed for expenses 2

Nature of expenses reimbursed:

Travel , equipment, stationery and miscellaneous £764

Total expenses reimbursed £764

10. STAFF COSTS

There were no staff costs during the year ended 31 December 2020 or for the year ended 31 December 2019

11. TANGIBLE FIXED ASSETS

	Investment property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020 and 31 December 2020	970,628	41,800	9,386	1,777	1,023,391
DEPRECIATION					
At 1 January 2020	70,628	9,920	8,989	1,754	91,291
Charge for year	-	832	100	22	954
At 31 December 2020	70,628	10,752	9,089	1,776	92,245
NET BOOK VALUE					
At 31 December 2020	<u>900,000</u>	<u>30,848</u>	<u>297</u>	<u>1</u>	<u>931,146</u>
At 31 December 2019	<u>900,000</u>	<u>31,680</u>	<u>397</u>	<u>23</u>	<u>932,100</u>

The property which was classified in 2018 as a tangible fixed asset has been reclassified as an investment property and is revalued by local estate agent with relevant experience to it's fair value on 31st December 2020 as per the investment property accounting policy.

INVESTMENT PROPERTY

FAIR VALUE

	Total
As at 1 January 2020	900,000
Revaluations	-
As at 31 December 2020	900,000

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS - continued

NET BOOK VALUE

As at 31 December 2020	900,000
As at 31 December 2019	900,000

If investment properties had not been revalued they would have been included at the following historical cost:

	31/12/2020	31/12/2019
Cost	207,400	207,400

The investment properties were revalued at £900,000 (2019: £900,000) as at 31 December 2020 by local estate agent with relevant experience.

Fair value at 31 December 2020 is represented by:

Valuation in 2020	-
Valuation in 2019	763,228
Cost	207,400
Depreciation	(70,628)
	<u>900,000</u>

No depreciation is provided in respect of the investment properties, however when the property was held as a freehold property, it was depreciated at 2% on cost.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Prepayments	<u>2,730</u>	<u>734</u>

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Other creditors	20,015	20,000
Deferred income	6,667	16,667
Accrued expenses	4,500	4,500
	<u>31,182</u>	<u>41,167</u>

14. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	953,202	51,430	1,004,632
	<u>953,202</u>	<u>51,430</u>	<u>1,004,632</u>
TOTAL FUNDS	<u>953,202</u>	<u>51,430</u>	<u>1,004,632</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	67,598	(16,168)	51,430
	<u>67,598</u>	<u>(16,168)</u>	<u>51,430</u>
TOTAL FUNDS	<u>67,598</u>	<u>(16,168)</u>	<u>51,430</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	199,172	754,030	953,202
	<u>199,172</u>	<u>754,030</u>	<u>953,202</u>
TOTAL FUNDS	<u>199,172</u>	<u>754,030</u>	<u>953,202</u>

Society of Designer Craftsmen

Notes to the Financial Statements - continued
for the Year Ended 31 DECEMBER 2020

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	22,640	(31,838)	763,228	754,030
TOTAL FUNDS	<u>22,640</u>	<u>(31,838)</u>	<u>763,228</u>	<u>754,030</u>

15. RELATED PARTY DISCLOSURES

K Holderness

The charity reimbursed Kayley Holderness the sum of £492.17 for office software and equipment for the Society PC, travel expenses for council meetings, and stationery and equipment.

D Maier

The charity reimbursed Dan Maier the sum of £271.75 for postage, stationery & equipment, and travel and accommodation for the Mayor opening of the Oxmarket exhibition in Chichester.