

Statement of Financial Activities

of the Heritage Crafts Association (operating as 'Heritage Crafts')
for the financial year 1 July 2022 to 30 June 2023

PRESIDENT

HRH The Former Prince of Wales

VICE PRESIDENTS

The Lord Cormack DL, FSA

The Rt Hon the Baroness Garden of Frognal

Richard Hefford-Hobbs (to 30 June 2023)

AMBASSADORS

Professor May Cassar CBE (to 5 July 2022)

Kaffe Fassett MBE

Will Kirk

Dr Alex Langlands

Rose Sinclair (from 5 July 2022)

TRUSTEES in the period July 2022 to June 2023

Honorary Officers

Co-Chair David Clarke (Acting Chair to 31 August 2022, Co-Chair from 31 August 2022)

Co-Chair Jay Blades MBE (from 31 August 2022)

Treasurer Sarah Kolkman (to 7 December 2022)

Robert Murray (from 7 December 2022)

Secretary Alison Robinson Canham

Other Trustees Katy Bevan

Jo Sealy

Jennifer Chen

Ambrita Shahani-Tuckwell (to 7 December 2022)

Dr Chrissie Freeth

Laura Southall

Helen Nichols

Robin Wood MBE

Jonathan Reid

STAFF in the period July 2022 to June 2023

Daniel Carpenter – Executive Director

Mary Lewis – Endangered Crafts Manager

Sally Morgan – Finance Officer

Charlotte Diamond – Membership and Administration Officer (to 29 September 2022)

Elizabeth Fretty – Membership and Administration Officer (from 17 October 2022)

Charlotte Whalen – Events and PR Officer (from 15 August 2022 to 1 March 2023)

REGISTERED OFFICE

81 North Street, Wellington, Somerset TA21 8NA

REGISTERED CIO NAME AND NUMBER

The Heritage Crafts Association

1159208 (previously registered charity number 1133646)

ACCOUNTS EXAMINED BY

Graham Darbourne FCA

TC Bulley Davey Ltd

6 North Street, Oundle, Peterborough PE8 4AL

BANKERS

CAF (Charities Aid Foundation)

25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME 19 4TA

Financial Review

Heritage Crafts’ net incoming resources for the year were £259,645 (2022: £181,161) and the closing reserves held at 30 June 2023 were £243,730 (2022: £186,813).

Unrestricted income in the year of £151,036 was higher than the previous year (2022: £105,023). This increase was driven by a greater proportion of commercial sponsorship this year. Membership income continued to grow strongly. We received the third instalment of The Swire Charitable Trust’s very generous three-year grant of £30,000 per annum to cover core administrative costs.

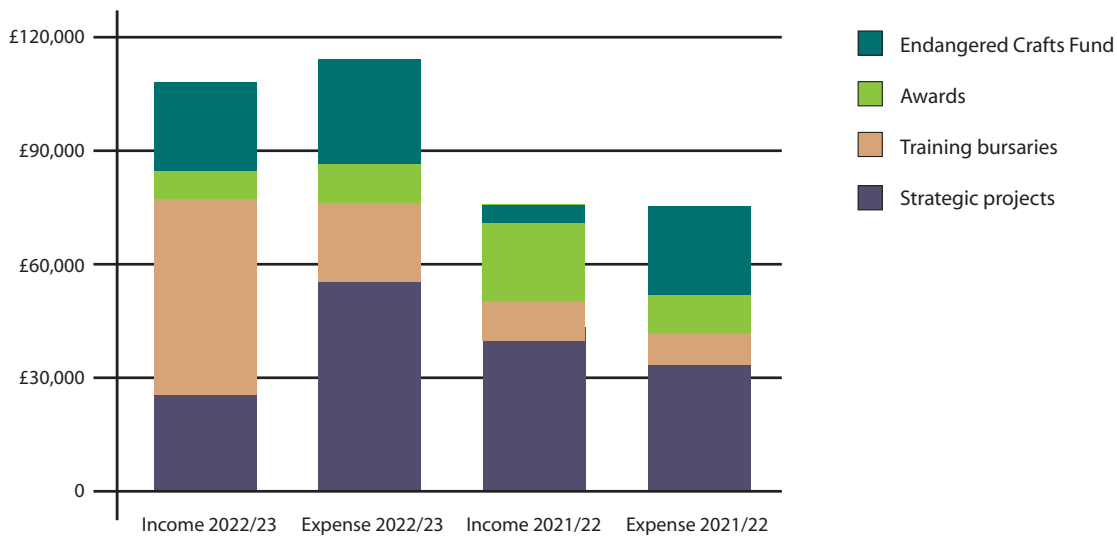
The proportion of income from corporate sponsorship was a noticeable increase during the year at £62,074 (2022: £7,000), including from The Royal Mint, to run the Winner’s Reception at the House of Lords, offer bursaries for trainees in precious metal skills, publish an accompanying booklet to the Red List 2023 edition, and run a symposium of precious metal

skills. Axminster Tools sponsored a Woodworker of the Year Award for the first time. Other sponsors included DCA Consulting and Kendrick Hobbs to support training bursaries.

Rose Uniacke contributed additional profits from her ‘Remnant Weave’ interior design product line, which resulted in two generous donations totalling £2,885 (2022: £3,622).

The growth of membership remains critical to the future of Heritage Crafts and to ensure we can demonstrate wide support for our work. At 30 June 2023 Heritage Crafts had 1,491 members (30 June 2022: 1,284 members). Of this total, 186 members are organisations and businesses and 1,295 are individuals, of which 5 are honorary (30 June 2022: 158; 1,126 and 5 respectively). The membership fees continue to be £20 for individuals and sole traders; £35 for joint membership; £15 for students/trainees and £40 for businesses, craft guilds and organisations.

RESTRICTED INCOME AND EXPENSES



Note: includes costs transferred to unrestricted

Benefactor income is an increasingly important revenue stream and we would like to thank all of our new and existing Benefactors. We like to develop longstanding relationships with our benefactors and the full benefits of the scheme are available on our website.

We have continued to manage costs as prudently as possible. The largest item of expenditure continues to be salary costs. Strategic projects fund a proportion of our staff costs and form the majority of the costs transferred from unrestricted to restricted funds. All of our staff work from home, and the Trustee Board has held most of its meetings online. However, travel and meeting costs have increased from 2021 levels as we begin to travel to more events and have some face-to-face meetings.

Trustees are not remunerated for their work with Heritage Crafts. Travel costs incurred in attending committee meetings and advocacy meetings on behalf of the organisation are reimbursed. Trustee expenses for the year are £120 (£172 in 2022).

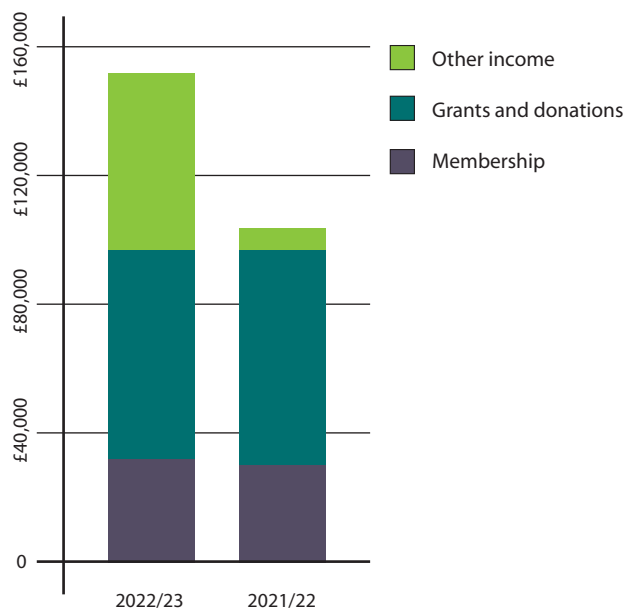
The amount of restricted funds received in the year to 30 June 2023 was £108,610 (2022: £76,137). This increase was the result of an increase in the number of grants, awards and bursaries and the publication

of the *Red List of Endangered Crafts* and two endangered crafts symposia funded by The Pilgrim Trust.

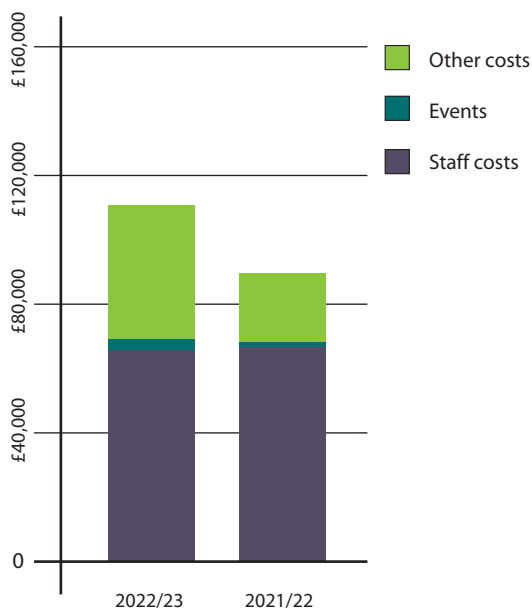
The Endangered Crafts Fund, launched in April 2019, continues to go from strength to strength. Grants from the Radcliffe Trust and the Sussex Heritage Trust during the year added to a grant from the Pilgrim Trust carried over from the previous year, to total £22,640, and we are still receiving commitments from funders to continue to support this project. Grants totalling £24,162 were awarded during the year to 15 makers. The fund is carrying forward a balance of £2,629 at 30 June 2023 which, together with funds expected soon, will be used for the next round of awards. We will continue to seek funding to enable the Endangered Crafts Fund to carry on its work.

Restricted grants carried over from the previous year from The Pilgrim Trust and The Dulverton Trust allowed us to complete our Red List 2023 edition and our #iwill project set up to engage with 11- to 18-year-olds as potential future craft practitioners, including our Craft Skills for the Future event in Derby in March. A grant of £9,600 (2022: £4,600) from the City & Guilds Foundation supported two bursaries for Black and ethnically diverse trainees.

UNRESTRICTED INCOME



UNRESTRICTED EXPENSES



Future Financial Plans

The future focus of the Trustees continues to be growing Heritage Crafts as a self-funding organisation as regards its core costs, while working in partnership with other organisations and funders to deliver key projects that promote and develop heritage crafts. Core costs will increasingly be covered by membership fees, sponsorship and contract income, project administration charges and core costs charged directly to projects. In the coming year, the Trustees and staff will be working to develop the next phase of the new strategic plan.

Risk Management

We recognize that our operating environment continues to be very challenging. In order to understand the risks the organisation is facing, we maintain an organic risk register which is reviewed regularly by the Board and Sub-Committees. Each risk is assessed and the Board focuses on those which have the greatest likely impact. We try to reduce the possible impact of all risks but it is not possible to entirely eliminate them.

We have assessed our top two risks to be:

Financial risk – the risk that Heritage Crafts will not be able to raise sufficient funds through grants, membership and/or fundraising to maintain its charitable purpose. In the current cost of living crisis we are seeing rising cost pressures, particularly salary costs, which increase our need for funding, combined with the difficult prospect of raising membership fees at this time. We are working hard on engaging with relevant stakeholders, through our fundraising strategy, to ensure that Heritage Crafts will be able to carry out its aims.

Reputational risk – operating in a public environment always carries with it a possibility of miscommunication or misinterpretation which could lead to loss of reputation, and therefore a risk that supporters will fall away, and Trustees, Ambassadors, Benefactors

and Sponsors will be brought into disrepute and leave. We are continuously working to ensure that our public communication is clear and driven by our organisational values, our strategy and objectives.

In addition, we recognise that the people who work for Heritage Crafts, whether as Trustees or employees, bring unique skills and are difficult to replace. We are working on strengthening our governance structure to ensure that we always retain a core number of Trustees with relevant skills and that our employees are properly supported.

Reserves Policy

The Board assesses the reserves policy on an annual basis. In the light of continued economic uncertainty the Board has decided to retain the level of reserves held by the charity at the equivalent of twelve months' core expenditure.

Our free reserves at 30 June 2023 are £153,630 which exceeds twelve months of core expenditure, in line with the policy noted above.

Designated Reserves

The Board has agreed to designate a proportion of reserves to be used as match funding for projects that further the strategic objectives of Heritage Crafts and for redevelopment of key assets such as the website and Makers Directory. This fund was created at 30 June 2021 and reserves of £25,000 have been committed to this fund. Projects and funding partners are being identified and the funds will be utilised during the forthcoming year.

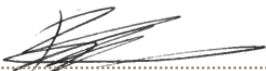
Public Benefit Statement

The Board has kept in mind the Charity Commission's guidance on public benefit at Board meetings and when making decisions around the implementation of the objects and activities of Heritage Crafts.

Fundraising Statement

Heritage Crafts is committed to ensuring its fundraising activities are responsible, ethical and transparent and as such aims to comply with best practice as set out by the Fundraising Regulator in the Fundraising Code.

Signed by Treasurer

Signature:  Name: Robert Murray, Treasurer Date: 9 November 2023

Signed by Co-Chair of Trustees on behalf of all Trustees

Signature:  Name: David Clarke, Co-Chair Date: 9 November 2023

Signed by Co-Chair of Trustees on behalf of all Trustees

Signature:  Name: Jay Blades MBE, Co-Chair Date: 9 November 2023

Independent Examiner's Report to the Trustees of the Heritage Crafts Association

I report on the accounts of the Heritage Crafts Association (operating as Heritage Crafts) for the year ended 30 June 2023, which are set out on pages 1 to 10.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed by independent examiner

Signature:  Name: Graham Darbourne FCA, TC Group

Date of approval: 9 November 2023 Relevant professional qualification: Chartered accountant

Address: 6 North Street
Oundle
Peterborough
PE8 4AL

Statement of Financial Activities

To the nearest £

	Note	Unrestricted	Restricted	Designated	Total	Last year
RECEIPTS						
Donations and grants	5	£62,074	£108,610	–	£170,684	£141,323
Membership	4	£32,750	–	–	£32,750	£29,635
Events	6	£5,900	–	–	£5,900	£1,552
Interest		£1,172	–	–	£1,172	£310
Gift Aid		£6,821	–	–	£6,821	£5,938
Miscellaneous		£42,318	–	–	£42,318	£2,403
Subtotal		£151,036	£108,610	–	£259,645	£181,161
Assets and investment sales		–	–	–	–	–
Subtotal		–	–	–	–	–
TOTAL RECEIPTS		£151,036	£108,610	–	£259,645	£181,161
PAYMENTS						
Staff costs	3	£64,498	–	–	£64,498	£67,762
Events	7	£6,169	£4,682	–	£10,851	£13,703
Project costs		–	£23,150	–	£23,150	£13,320
Grants		–	£62,415	–	£62,415	£34,337
Administration costs	2	£41,814	–	–	£41,814	£21,576
Subtotal		£112,480	£90,247	–	£202,727	£150,870
Assets and investment purchase	8	–	–	–	–	–
Subtotal		–	–	–	–	–
TOTAL PAYMENTS		£112,480	£90,247	–	£202,727	£150,870
NET OF RECEIPTS (PAYMENTS)		£38,555	£18,363	–	£56,918	£30,291
TOTAL FUNDS LAST YEAR END		£115,075	£46,738	£25,000	£186,813	£156,522
TOTAL FUNDS THIS YEAR END		£153,630	£65,100	£25,000	£243,730	£186,813

Balance Sheet

To the nearest £

As of 30 June 2023	Unrestricted funds	Restricted funds	Total
ASSETS			
Cash at hand and in bank	£163,947	£65,100	£229,047
Trade debtors	–	–	–
Other debtors	£32,321	–	£32,321
Prepayments	£2,430	–	£3,430
TOTAL ASSETS	£198,698	£65,100	£263,799
LIABILITIES			
	£20,068	–	£20,068
TOTAL FUNDS AS AT 30 JUNE 2023	£178,630	£65,100	£243,730

To the nearest £

As of 30 June 2022	Unrestricted funds	Restricted funds	Total
ASSETS			
Cash at hand and in bank	£152,350	£27,138	£179,488
Trade debtors	–	£19,600	£19,600
Other debtors	£5,938	–	£5,938
Prepayments	£2,334	–	£2,334
TOTAL ASSETS	£160,621	£46,738	£207,359
LIABILITIES			
	£20,546	–	£20,546
TOTAL FUNDS AS AT 30 JUNE 2022	£140,075	£46,738	£186,813

Statement of Cash Flow

To the nearest £

As of 30 June 2023	2023	2022
CASHFLOW FROM OPERATING ACTIVITIES		
Net cash provided by (used in) operating activities	£48,389	£7,498
CASHFLOW FROM INVESTING ACTIVITIES		
Interest received	£1,172	£310
Purchase of property, plant and equipment	–	–
Change in cash and cash equivalent in the reporting period	£49,560	£7,808
Change in cash and cash equivalent at the beginning of the reporting period	£179,487	£171,678
Change in cash and cash equivalent at the end of the reporting period	£229,048	£179,981
Net income (expenditure) for the reporting period	£55,764	£29,981
Adjustment for		
Depreciation charges	–	–
(Increase)/Decrease in debtors	(£6,880)	(£27,363)
Increase/(Decrease) in creditors	£478	£4,880
Net cash provided by (used in) operating activities	£48,389	£7,498

Notes to the Accounts

1. Accounting policies

a) Basis of accounting

Heritage Crafts currently has a gross income of more than £250,000 per annum and is therefore required by the Charity Commission to prepare accruals accounts. As the Board considered that the financial situation was best given by preparing the accounts in accordance with Charity SORP (FRS 102) it has already been preparing accruals accounts since 1 July 2022.

b) Statement of compliance and basis of preparation

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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The charity meets the definition of a public benefit entity under FRS102.

c) Income

All income, donations and subscriptions are accounted for as received by Heritage Crafts. Membership subscriptions are recognised over the membership period.

d) Restricted funds

Restricted funds are funds which are used in accordance with specific instructions imposed by the donor. Details of the restricted funds received by Heritage Crafts are provided in note 6 below.

e) Resources expended

Resources expended are recognised in the period in which they are incurred. period in which they are incurred.

2. Administration expenses

To the nearest £

	2023	2022
Website	(£3,437)	(1,809)
Insurances	(£522)	(382)
Recruitment	(£2,208)	
Marketing	(£1,164)	
Consultancy	(£750)	
Printing/postage/stationery	(£763)	(219)
Payment processing fees	(£867)	(522)
Miscellaneous*	(£32,103)	(5,056)
Total admin expenses	(£41,814)	(7,988)

*Includes £23,160 of costs relating to activities included in the sponsorship agreement with The Royal Mint, such as providing training bursaries for trainees in precious metal crafts.

3. Staff costs

The average number of employees in the 2022-23 year was four (2021-22: four). There were no employees who received employee benefits of more than £60,000.

4. Membership

As of 30 June 2023, Heritage Crafts had 1,491 members through its membership scheme (2021: 1,284 members). A total of £32,750 was recognised as membership income during the year to 30 June 2023 (2022: £29,635).

5. Donations

Heritage Crafts is extremely grateful to all our donors for providing this vital funding and support for our work.

a) Unrestricted funds

Unrestricted donations of £32,074.10 (2022: £35,185) were received from individuals and organisations. A three year grant of £30,000 per annum was received from the Swire Charitable Trust to fund our administrative costs.

b) Restricted funds

During the year Heritage Crafts received and utilised restricted donations as follows.

To the nearest £

As of 30 June 2023	Ernest Cook*	Endangered Crafts Fund	Awards	Training bursaries	Strategic projects	Total
Opening restricted funds at 1 July 2022	£450	£7,511	£15,766	£5,100	£17,912	£46,739
New funds received	–	£22,640	£8,700	£51,780	£25,490	£108,610
Transfer of funds to unrestricted for admin	–	–	–	–	£12,100	£12,100
Grants awarded	–	(£24,162)	(£7,565)	(£16,350)	(£12,338)	(£60,415)
Expenses incurred	–	(£3,360)	(£750)	(£4,980)	(£32,840)	(£41,934)
Closing restricted funds at 30 June 2023	£450	£2,629	£16,151	£35,550	£10,320	£65,100

* Ernest Cook residual balance of £450 is for Superact (in liquidation).

The Endangered Crafts Fund, launched in April 2019, continues to be an important element of our strategy. Donations and grants totaling £22,640 were received in the year, with notable contributions from the Radcliffe Trust and Sussex Heritage Trust. Grants totalling £24,162 were awarded during the year to 15 makers. The fund is carrying forward a balance of £2,629 at 30 June 2023. We have already secured additional funding for the next round of awards, and will continue to seek funding to enable the Endangered Crafts Fund to continue its work.

A grant from the Pilgrim Trust was carried over from the previous year to fund the *Red List of Endangered Crafts* 2023 edition, two endangered craft symposia and a contribution to the Endangered crafts Fund. A grant from the Dulverton Trust was carried over from the previous year to fund work with 11- to 18-year-old including partnership events with Speakers for Schools, training from Participation People, and an event at the Museum of Making in Derby in March. These projects are largely carried out by our own team and therefore costs are charged from core costs against these projects, in accordance with the budgets agreed with the funders.

A grant of £9,200 (2022: £4,600) from the City & Guilds Foundation supported two bursaries for Black and ethnically diverse trainees, alongside other bursaries sponsored by DCA Consulting and Kendrick Hobbs.

6. Events and fundraising activities

To the nearest £

	2023	2022
Cost of events	(£6,169)	(£13,702)

7. Taxation

As a registered charity Heritage Crafts is exempt from corporation tax since all income is applied for charitable purposes.

8. Asset purchases

During the year Heritage Crafts did not make any asset purchases (2022: none).

9. Total funds at year end

Total funds movements during the year have been as the follows:

Unrestricted funds are used to pay core costs of the charity, including salary costs.

Restricted funds are held to pay costs of specific projects agreed with funders. More details of these funds are given in note 5b.

Designated funds is a fund created by the Trustees in 2021. This fund is intended to be used as match funding for projects that further the strategic objectives of Heritage Crafts. Reserves of £25,000 have been committed to this fund. Projects and funding partners are being identified and funds will be allocated during the forthcoming year.

To the nearest £

	Unrestricted funds	Restricted funds	Designated funds	Total
Opening funds at 1 July 2022	£99,427	£62,385	£25,000	£186,812
Net income/receipts	£38,575	£18,363	–	£56,918
Salary costs charged to projects	£3,548	(£3,548)	–	–
Project admin charge	£12,100	(£12,100)	–	–
Designated reserves	–	–	–	–
Closing restricted funds at 30 June 2023	£153,630	£65,100	£25,000	£243,730