

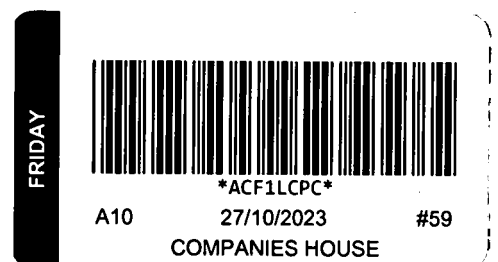
Charity Registration No. 1101348

Company Registration No. 4934904 (England and Wales)

**NATIONAL ASSOCIATION OF FLOWER
ARRANGEMENT SOCIETIES 2003**

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**



NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES
2003
(LIMITED BY GUARANTEED)

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NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES
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LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| STATUS | The Association is a charitable company limited by guarantee incorporated on 16 October 2003 and registered as a charity on 5 January 2004. |
| GOVERNING DOCUMENT | The company was established under Memorandum and Articles which established the objects and powers of the charitable company. The Articles were amended by General Meeting on 20 January 2021. |
| COMPANY NUMBER | 4934904 |
| CHARITY NUMBER | 1101348 |
| REGISTERED OFFICE/OPERATING OFFICE | 1 st Floor 42-44 Bishopsgate London EC2N 4AH |
| TRUSTEES: | Mrs Katherine Kear MDPF, Chairman Mrs Nicky Wylie, Vice Chairman Mrs Mala Williams Mrs Ann Harding Mr Peter Mathers Mrs Ellen Meaking Mrs Philida Irving Mrs Linda Wales (appointed 06 May 2022) Mrs Susan Castle (retired 05 October 2022) |
| CHIEF EXECUTIVE OFFICER: | Mr Steven Lane |
| FINANCE OFFICER: | Mr Michael Osman |
| AUDITORS: | TC Group The Courtyard Shoreham Road Upper Beeding West Sussex BN44 3TN |
| BANKERS: | National Westminster Bank PO Box 282 216 Bishopsgate London EC2M 4QB |
| FOUNDER PRESIDENT: | The late Mrs Mary Pope OBE VMH |
| NATIONAL PRESIDENT: | Lilias Hoskins |
| LIFE VICE-PRESIDENT: | Mr Robin Herbert CBE VMH |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES

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TRUSTEES' REPORT

REPORT FROM THE CHAIR OF TRUSTEES

12 months in any charity is a challenge, and our story is no different. With Covid behind us we then have to face the global economic crisis which affects all of us as individuals, and within our Association it affects our clubs, our events as we face rising costs across the board.

We are a charity going through a period of enormous change, some Clubs continue to struggle with operating issues of low numbers, some face a lack of members coming forward to take key roles to ensure the club continues to run, I fear this will always be a concern. However members must remember it's their club and step up, to bring new initiatives and fresh enthusiasm to their fellow members. Carefully worded constitutions will ensure roles have a short run to help volunteers ensure they are not in the post for years. We want to help and support our Clubs, and look forward to sharing those successful initiatives.

At national level, we face challenges of a different nature. Of course there are financial concerns, even with detailed financial controls, the Board reluctantly signed off a deficit budget, but a three year plan that will focus on increasing our income and control our expenditure will reduce the deficit. It will also allow us to start investing into the infrastructure of the Association.

Our continuing research and work towards Ofqual recognition is in advanced stages. It's national recognition will ensure the longevity of our educational position. It's this that makes us unique. It will make us stronger, more viable and appealing, especially to people outside our Association. It's about moving with current trends, delivering value and education to all. We have sought independent advice on the required structure and compliance, so we know we are correct right from the start.

We continue to come up against the problems of direct contact with our members and are building our data base to provide that contact, it will mean faster and more successful exchange of information. Communication and messaging is key as we aim to share our activity and explain the reasoning behind our decisions. The relationship with our 21 Area Chairmen and our Standing Committee Chairmen is absolutely vital to all concerned if we want to build on 64 years of history and take the Association forward.

Florilegium, our National Show in Gloucester Cathedral was a resounding success, raising £53,560 for the Association. Exquisite entries in the classes, devised by our National Judges filled the building. We had over 3,500 visitors. The show gave so much pleasure, good feeling and a chance to meet up with friends not seen for a while. The Board carried the weight of organisation with supportive additions from our other committees. It has put our National Show back on track and set the bar high for the following one. I would like to thank everyone involved, those who attended and our sponsors for making this a truly unforgettable experience.

We welcomed the Interflora Florist of the Year who put up a design for the show. We are in a reciprocal arrangement providing demonstrations at the Interflora World Cup in Manchester in September 2023. This is a first and we hope will lead to further collaboration. On that theme, talks with another national organisation are ongoing and could also provide a valuable opportunity for development.

Our Standing Committee Chairmen continue to drive their disciplines forward, but sadly we say farewell to Joan Magee (Judges) and Susie Barwick (Education) and thank them both for the enormous amount of work they have put into leading these two committees, which are at the very heart of what NAFAS stands for.

We say goodbye to Peter Mathers from the Board at the AGM and thank him unreservedly for his time, wisdom and skills over the six years served.

We have welcomed Michael Osman our new Finance Manager. This time last year I said that as an Association, we are in a good position thanks to the careful and considered advice of Steven, our CEO, and the work of our staff in London, I'm delighted to say that the same applies now.

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In the past 12 months we have relocated our head office and held a successful National Show, I wonder what the next 12 months will bring? Whatever the future is, it will be the responsibility of the Board and our new National Chairman, Nick Wylie, who takes over from me in October. I wish all of you, all the very best going forward.



Katherine Kear MDPF
National Chairman

TRUSTEES' REPORT (INCORPORATING DIRECTORS' REPORT)

The Trustees present their report together with the audited financial statements for the year ended 31 March 2023. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS 102), applicable law and the Charity's governing document.

The Charity prefers to be known by the acronym "NAFAS" and is a UK registered trademark no. 2109171.

Structure, Governance and Management.

The Trustees are also the Directors of the Company for the purpose of company law. The Charity is a charitable company limited by guarantee and without share capital. In the event of the Company being wound up the liability of each member is limited to £10. It was incorporated on 16th October 2003. The purpose of its formation was to acquire the assets and undertaking of National Association of Flower Arrangement Societies, an unincorporated charitable association first formed in 1959. It is governed by Articles of Association and its objectives are to advance public education in the art of flower arranging and related subjects. The membership of the Company is comprised of 21 unincorporated Area Associations providing geographical representation throughout the United Kingdom and represented at meetings through a single elected representative for each Area. A network of more than 900 flower clubs are affiliated to the Area Associations and their members form the affiliated membership of the Charity.

The Voting Members of the Charity are made up of the 21 current Area Representatives and the current Trustees. The National Officers are appointed by the Board and comprise the Chair of Trustees and the Vice-Chairman. There shall be a minimum of 7 Trustees and a maximum of 10 Trustees. A minimum of 5 Trustees to be elected by the voting members, additional Trustees can be appointed by the Board. The National President is a non-executive appointment selected by a panel. Life Vice-Presidents are appointed in recognition of outstanding service. The day-to-day management of the Charity is the responsibility of the Chief Executive Officer. Salaries of all staff are reviewed annually by the Board of Trustees.

The Trustees, as stated on the legal and administrative information page, are eligible to serve two terms of three years. The Board meets monthly (virtually) and receives quarterly reports from the Charity's Standing Committees, who administer the operation of each facet of the Charity's objectives. One Trustee attends each meeting of the Standing Committees to ensure continuity within the reporting process. The Board of Trustees take direct responsibility for the management of the assets and liabilities. Financial management including control and monitoring of budgets, is overseen by the Finance Team.

The National Advisory Council meets 4 times a year and comprises a single representative from each of the 21 Area Associations. They represent the affiliated members and act as an advisory body and as a forum for the exchange of views and information between the Board of Trustees and the affiliated members.

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TRUSTEES' REPORT

Trustees Induction and Training

New Trustees are invited and encouraged to attend training courses and seminars to brief them on their legal obligations. They are also introduced to the Charity Commission's own booklets and information bulletins. Funds are available to facilitate Trustee training in undertaking their role.

Subsidiary Company

The Charity's wholly owned subsidiary, NAFAS Enterprises Limited (company No. 1829011), undertakes fundraising through the publishing and sale of books, leaflets and booklets relating to flower arranging and the publication of The Flower Arranger magazine. Profits are transferred to the Charity through Gift Aid. The Board of Directors comprises the National Chairman and two other Trustees of the Charity.

Charitable Objectives and Activities

The Charity is established to:

- advance public education in the art of flower arranging and related subjects
- further any other charitable purpose or purposes

The Charity's Activities are:

- Administration of NAFAS Courses in Floral Art & Design
- Attending and exhibiting at major shows and floral events
- A National Show where affiliated members may enter competitions and where both members and the general public may enjoy the floral arrangements exhibited
- Training and assessments of judges, demonstrators and speakers
- Encouragement to affiliated clubs to develop their memberships

NAFAS Vision, Mission and Values

The new Vision, Mission and Values were adopted in 2021 by the Board.

NAFAS Vision Statement

To improve the lives of everyone through flowers

NAFAS Mission Statement

Sharing the creative use of flowers through education, to bring joy and inspiration to all

We achieve this through:

- Welcoming everyone to our Association, events and shows by removing barriers to access
- Sharing our artistry, creativity, skills, experience and innovation
- Encouraging creative use of flowers to aid mental health, well-being and social interaction
- Developing imaginative and accessible promotional programmes and publications
- Providing the highest quality educational and training schemes and upholding their quality
- Supporting opportunities to develop skills through competitions and exhibitions at all levels
- Ensuring excellent organisational and commercial support for affiliated clubs and societies
- Establishing a culture where collaboration and sharing best practice is the norm
- Working closely with horticultural, trade and educational bodies with similar goals
- Continuous improvement to everything we do by embracing incremental change
- Regular renewal of our representation and plans to capture new trends and voices
- Minimising our impact on the environment

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TRUSTEES' REPORT

Our Values

- Ensure a friendly welcome for all, that embraces equality and diversity
- Ensure open and positive behaviours at all times in delivering our goals
- Make full use of the knowledge, energy and commitment of all of our Association's members
- Seek positive environmental sustainability in all our activities

Public Benefit

In establishing the annual objectives and activities which fulfil NAFAS overall aims, the Trustees always have regard to the principles of public benefit. The Trustees are aware of and have received copies of the Charity Commission's guidance regarding Public Benefit and have taken it into account, where relevant, in their planning and decision making.

The Objects set out clearly that the Charity is established to advance public education in the art of flower arranging and to further any other charitable purpose. It operates throughout the whole of the United Kingdom and strives to attract members from all age groups and ethnic backgrounds. The Association's exhibits at major floral and horticultural shows, including its own National Show, are seen and enjoyed by large numbers of the general public.

The Trustees are conscious that many of its affiliated members are elderly with some on low or fixed incomes. Although each club is autonomous with the ability to set its own membership fees, the affiliation fee to the Charity (which forms part of this) has been maintained at £6.10 since 2019 for each individual member through their club. It is the Board's intention to continue small annual incremental increases, it was decided to increase the affiliation fee in 2023 to £7.50 per member.

The Association also provides direct membership at a cost of £45 per annum which includes a subscription to its quarterly magazine, The Flower Arranger. The cost of direct membership remains the same until such time as it is deemed appropriate to increase. The Trustees take its commitment to public benefit extremely seriously, exemplified by the fact that the affiliation fee remains very low not wishing to exclude any member on economic grounds.

The Trustees believe that entry fees to shows and events and affiliation fees to members are set at such a low level as to ensure that all members of the public can afford them and therefore benefit from full enjoyment of the Charity's services. The affiliated Flower Clubs play an important role in raising money for other charities.

The Charity's members and the Area Associations, provide services to the general public too numerous to mention fully but include workshops where the public are invited to try their own skills at flower arranging, similar workshops for school parties and children with special needs, assistance to local churches to hold flower festivals to encourage the public to support their local communities and floral demonstrations at flower shows and events throughout the year.

Risk Management

Historically the risks identified by the Charity have been restricted to contractual obligations related to the National Show and other events. The Coronavirus, began to have significant effects in the UK from late February 2020, and enhanced problems that the Trustees were previously aware of and created new risks to the Charity.

Risks include:

- Club closures, several clubs will not reopen for various reasons including:
 - o Difficulty attracting members to sit on the club committee
 - o Ageing membership
 - o Difficulty in attracting new younger members
 - o Increasing costs of premises and flowers
 - o Closure of village and community halls where our clubs have met previously

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TRUSTEES' REPORT

- A decline in membership due to club closures.
- A reluctance by members to travel. This affects attendance at Area and National events.

Evaluation of risk is constantly under review. Financial risks are managed by:

- Maintenance of reserves to be financially resilient.
- Regular consultation with the Charity's financial, legal and other professional advisers.

Internal risk controls are in place based upon dual authorisation of financial transactions. Employee and Third-Party Fraud insurance cover is also in force. The Trustees consider that a suitable balance is maintained between the level of risk and the effectiveness of controls.

Achievements and Performance

We will continue to present our AGM virtually as this attracts a larger audience compared to a physical meeting and allows access to the proceedings to all our membership. The 2022 AGM attracted over 1,600 views.

Reports from the NAFAS Standing Committees'

National Judges Committee

Joan Magee, Chairman

- The National Judges Conference at Gloucester was the main focus of the Judges Committee during this period. We spent numerous hours preparing the Schedule, sorting Staging, considering judges, accepting entries and dealing with queries.
- The revision of the current Competitions Manual was completed and the 4th Edition 2023 Competitions Manual was ready for launch at the National Show.
- The Judges Conference at Dromantine got the green light and is full to capacity. The event to be held in August 2023.
- Training for potential National Judges took place during this period. The National Test took place in Tarvin Community Hall on 30th October. We are pleased to report we have four new National Judges

National Demonstrators Committee

Beryl Cotton, Chairman

- April 2022 - Demonstrators symposium at Telford Hotel and Golf Resort.
- An Area Representatives meeting was held via zoom June 2022.
- 4 Time served committee members retired October 2022 including Chair Elizabeth Graham.
- The newly appointed Committee meet 3 times via zoom throughout the year and were able to meet face to face at the National Tests.
- September 2022 Zoom meeting – advice and guidance for test candidates.
- In January 2023, a Day of Guidance and Advice took place at Frodsham, Cheshire for pre-National and National candidates.
- A Spring 2023 Bulletin was issued to demonstrators.
- Pre-National Assessments and National Test took place in March 2023 at Frodsham, Cheshire. 3 Candidates were successful in passing their National Test.
- Following the National Tests, a zoom meeting was arranged with the Senior Adjudicator for pre national candidates in March 2023.
- Several Areas are holding training and Testing for Area Demonstrators.
- Several Areas are holding Refresher Days or Joint Discipline Refresher Days.
- A new leaflet has been produced to help Areas to recruit talented flower arrangers to step up to become Area Demonstrators.

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National Speakers Committee

Brenda Evers, Chairman

A number of Areas held refresher days for speakers following a long pause in such activities caused by the pandemic. It has been encouraging to also hear from the Area Representatives of an increase in bookings for speakers at Club and Area events. Sadly, we have noticed that a number of both speakers and Adjudicators and Instructors decided to retire after the pandemic. We have therefore focused heavily on training to overcome a shortage of qualified people.

The National Speakers Committee continued to hold all meetings by Zoom including days for Area Speakers Representatives and Adjudicators and Instructors, including the trainees. We were delighted to be asked to participate in the 2023 National Show at Gloucester Cathedral and all preparations were again undertaken by Zoom.

After much work and planning over the last two years, the National Speakers Test was held in Stockton on the Forest on 3rd August 2023 with six speaking candidates and a further four completing their A & I qualifications. Five of the speaking candidates were successful and all four A & I candidates.

We continue to investigate ways to achieve a virtual symposium for our members.

National Education Committee.

Susie Barwick, Chairman

- The committee agreed to meet "informally" every month except August, via Zoom. Scheduled formal meetings and meetings with Education Representatives and Tutors were held in July and October 2022 and in February 2023.
- The Ofqual application documents continued to be reviewed and refined. A Consultant has been appointed to oversee all preparations.
- 3 Level Three students were assessed and approved for a NAFAS certificate in September 2022.
- The Basic Teaching Manual is being reviewed and will be renamed as An Introduction to Teaching.
- Revisions were completed for the re-print of Miniature & Petites.
- Revisions for a re-print of Leaf & Plant Techniques book two were submitted.
- Work continues with Design Techniques.
- Leisure Class Initiative document was updated and re-loaded onto the NAFAS website
- A tutor forum has been created by the Education Administrator, to facilitate communication and training for NAFAS tutors.
- Plans for a Teachers Conference are now being discussed for 2024.

Volunteer involvement

The Charity relies on the support of its members who give many thousands of hours voluntarily to assist in the provision of services and activities. It is impossible to put a value on this support for which the Charity is very grateful and without which much of the work undertaken could not be achieved. The Trustees appoint functional and advisory committees, composed of experienced volunteers to assist in carrying out the work of the Charity.

Fundraising

The Charity does not actively undertake any fundraising directly from the general public.

Membership

Affiliation Fees and the annual returns forms, which are completed by the 21 Area Executives, recorded the following details in December 2022:

- Individual Members. 32,179 (44,829 in 2019)
- Number of flower clubs. 845 (961 in 2019)

Our numbers are considerably lower than those recorded in 2019, the last time we were in receipt of accurate figures. The Pandemic had a devastating effect on the Association, and for the first time we can see the scale of the problem

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the Association faces. Ageing membership, changing lifestyles and rising costs are common problems facing a number of charitable/membership organisations, yet NAFAS, remains one of the best supported membership organisations in the UK.

Future Planning

Following the sale of Osborne House, we have restructured our financial activities and put in place a rolling 3-year Business Plan. The plan will enable the Charity to build on its current position and budget more accurately.

Powers of Investments

The Articles of Association authorise the investment of the Company's funds or any part thereof in the purchase of such stocks, shares, securities or other investment or property of whatsoever nature as the Trustees, may in their absolute discretion decide. All investments are held in accordance with these powers. The Trustees do not have specific target returns on investment income although generally they expect investment performance to reflect movement in the London Stock Exchange indices.

Financial Review

Having identified Rathbones as the most suitable investment manager for the Charity, £3.5M was invested in July 2022. The residue of the proceeds remains in the Charity's bank accounts. A new Investment Team has been set up to meet regularly with Rathbones to discuss the investment performance.

The Association has strict internal financial controls, which are overseen by the CEO, Finance Team, Investment Team and the Board of Trustees. All events are budgeted and closely monitored, and for this financial period have included:

Educational Events

- National Judges Tests (Education)
- RHS Hampton Court (Promotion)
- National Presidents Residential Weekend (Fundraising)
- National Demonstrators symposium (Education)
- National Demonstrators Advice Day (Education)
- National Show (Education)

The Charity provides funding for its Standing Committees, Judges, Demonstrators, Speakers, and Education. It also commits funding to educational events as charitable activities. The National Show recorded a profit of £53,560 which exceeded the budget target of £21,679. This is in complete contrast to the 2019 show that recorded a large deficit and proves that the internal financial procedures now in place are effective.

Financial Review

At the end of the financial year, the Association recorded a surplus of £2,452,295 (including the profit on the sale of Osbourne House), an improvement on the previous year and leaves the Charity with adequate reserves. On completion of the sale of Osbourne House, the loan of £150K, taken out in 2020 under the Government backed Coronavirus Business Interruption Loan Scheme, was repaid in full.

Group Income

Consolidated income increased by 18% to £517,128 (excluding the profit on the sale of Osbourne House).

Group Expenditure

Consolidated expenditure increased by 33% to £697,642.

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Enterprises (Trading Subsidiary)

Turnover decreased by 5% to £226,930.

Cost of sales and administrative expenses increased by 2% to £244,371.

Loss for the year was £17,233 versus £281 loss in 2022.

The results for the year ended 31 March 2023 are shown in this summary of income and expenditure:

| | 2023 | 2022 |
|-----------------------|-----------|----------|
| | £ | £ |
| Net movement in funds | | |
| Unrestricted funds | 2,449,077 | (88,319) |
| Designated funds | 3,218 | 2,379 |
| Restricted funds | - | - |
| | ----- | ----- |
| | 2,452,295 | (85,940) |
| | ===== | ===== |

Reserves

An analysis of funds is given under note 20. The maintenance of adequate reserves underpins the Trustees' Risk Management policy as a counter against risks identified in the regular Risk Review. In view of the general historical reliability of the Charity's income streams, the Trustees consider that the Charity's general reserve, excluding fixed assets but including the value of marketable investments, should be maintained at a level sufficient to cover six months charitable operations expenditure and governance costs. At 31st March 2023 the level of free reserves stands at £3,787,564 (2022: £53,330).

Subsidiary Undertaking

NAFAS Enterprises Limited is a wholly owned subsidiary. It undertakes all trading activities and transfers the whole of its profit to the Charity by gift aid. Due to a change in accounting rules, the gift aid payable is not recorded as a liability in these accounts.

Accounting Policies

Accounting policies are disclosed on pages 19 to 21 of the financial statements.

Auditors

A resolution proposing the appointment of Auditors to the Charity will be put to the Annual General Meeting.

The Trustees' Report was approved by the Trustees' on 15th September 2023

BY ORDER OF THE BOARD



Katherine Kear MDPF
National Chairman

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 (LIMITED BY GUARANTEED) STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of National Association of Flower Arrangement Societies 2003 for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 group and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

**NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES
2003
(LIMITED BY GUARANTEED)
INDEPENDENT AUDITORS' REPORT**

**TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT
SOCIETIES 2003**

Opinion

We have audited the financial statements of National Association of Flower Arrangement Societies 2003 (the parent 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 on pages 15 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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.

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2003
(LIMITED BY GUARANTEED)
INDEPENDENT AUDITORS' REPORT**

**TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT
SOCIETIES 2003**

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, 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.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003 (LIMITED BY GUARANTEED) INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

Auditor's 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to 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; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees, directors and other management (as required by auditing standards), and discussed with the trustees, directors and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption; and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees, directors and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity and group's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

**(LIMITED BY GUARANTEED)
INDEPENDENT AUDITORS' REPORT**

TO THE TRUSTEES OF NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

- We considered the procedures and controls that the charity and group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor
Office: Steyning, West Sussex

Date: 13 October 2023

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

| | | General funds | Designated funds | Restricted funds | Total 2023 | Total 2022 |
|--|-------|------------------|---------------------|---------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ | £ |
| Income from: | | | | | | |
| Donations and legacies | 3 | 2,401 | - | - | 2,401 | 2,750 |
| Charitable activities: | | | | | | |
| Affiliation & direct membership fees | 4 | 152,285 | - | - | 152,285 | 173,645 |
| Shows and assemblies | 4 | 75,170 | - | - | 75,170 | 4,579 |
| Other trading activities: | | | | | | |
| Trading income | 10 | 227,138 | - | - | 227,138 | 239,227 |
| Investment income | | | | | | |
| Investment income | | 41,886 | - | - | 41,886 | - |
| Interest income | | 1,861 | - | - | 1,861 | 13 |
| Other | | 13,169 | 3,218 | - | 16,387 | 17,801 |
| Profit/(loss) on sale of tangible fixed assets | | 2,669,397 | - | - | 2,669,397 | - |
| Total income | | 3,183,307 | 3,218 | - | 3,186,525 | 438,015 |
| Expenditure on: | | | | | | |
| Raising funds: | | | | | | |
| Costs of trading subsidiary | 10 | 244,371 | - | - | 244,371 | 239,508 |
| Charitable activities: | | | | | | |
| Operations | 5 | 453,271 | - | - | 453,271 | 284,447 |
| Total expenditure | | 697,642 | - | - | 697,642 | 523,955 |
| Net losses on investments | 13 | (36,588) | - | - | (36,588) | - |
| Net income/(expenditure) | | 2,449,077 | 3,218 | - | 2,452,295 | (85,940) |
| Transfers between funds | 21 | - | - | - | - | - |
| Net movement in funds | | 2,449,077 | 3,218 | - | 2,452,295 | (85,940) |
| Fund balances at 1 April 2022 | | 1,349,076 | 31,210 | 6,100 | 1,386,386 | 1,472,326 |
| Fund balances at 31 March 2023 | | 3,798,153 | 34,428 | 6,100 | 3,838,681 | 1,386,386 |

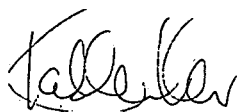
**NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|-----------|---|-----------|---|
| Fixed assets | | | | | |
| Tangible assets | 12 | 10,589 | | 1,433,616 | |
| Investments | 13 | 3,231,516 | | - | |
| | | 3,242,105 | | 1,433,616 | |
| Current assets | | | | | |
| Stocks | 14 | 20,258 | | 12,834 | |
| Debtors | 15 | 54,103 | | 43,289 | |
| Cash at bank and in hand | | 700,918 | | 198,169 | |
| | | 775,279 | | 254,292 | |
| Creditors: amounts falling due within one year | 16 | (178,703) | | (196,522) | |
| Net current assets | | 596,576 | | 57,770 | |
| Creditors: amounts falling due after more than one year | 17 | - | | (105,000) | |
| Total assets less current liabilities | | 3,838,681 | | 1,386,386 | |
| Income funds | | | | | |
| Unrestricted funds: | | | | | |
| General funds | 20 | 3,798,153 | | 1,349,076 | |
| Designated funds | 20 | 34,428 | | 31,210 | |
| Restricted funds | 20 | 6,100 | | 6,100 | |
| | | 3,838,681 | | 1,386,386 | |

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 15/09/2023.



Mrs Katherine Kear (Chairman)
Company Registration No. 4934904

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

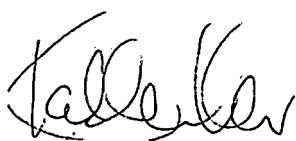
CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 £ | £ | £ | 2022 £ |
|--|-------|-----------|---|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 10,586 | | | 1,433,616 |
| Investments | 13 | 3,231,520 | | | 4 |
| | | 3,242,106 | | | 1,433,620 |
| Current assets | | | | | |
| Debtors | 15 | 58,091 | | 34,439 | |
| Cash at bank and in hand | | 680,066 | | 162,238 | |
| | | 738,157 | | 196,677 | |
| Creditors: amounts falling due within one year | 16 | (172,596) | | (187,160) | |
| Net current assets | | 565,561 | | | 9,517 |
| Creditors: amounts falling due after more than one year | 17 | - | | | (105,000) |
| Total assets less current liabilities | | 3,807,667 | | | 1,338,137 |
| Income funds | | | | | |
| Unrestricted funds: | | | | | |
| General funds | 20 | 3,767,139 | | | 1,300,827 |
| Designated funds | 20 | 34,428 | | | 31,210 |
| Restricted funds | 20 | 6,100 | | | 6,100 |
| | | 3,807,667 | | | 1,338,137 |

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 15/09/2023



Mrs Katherine Kear (Chairman)
Company Registration No. 4934904

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

| | | 2023 | | 2022 |
|---|-------|------------------|---|------------------|
| | Notes | £ | £ | £ |
| Cash flows from operating activities: | | | | |
| Net income/expenditure for the year | | 2,452,295 | | (85,940) |
| (Gain) / loss on investments | | 36,588 | | - |
| Profit on disposal of tangible fixed assets | | (2,669,397) | | - |
| Depreciation of tangible fixed assets | 12 | 1,871 | | 7,465 |
| Interest from investments | | (43,747) | | (13) |
| (Increase)/decrease in stock | 14 | (7,424) | | (3,362) |
| Increase/(decrease) in creditors | 16 | (119,564) | | (34,942) |
| (Increase)/decrease in debtors | 15 | 10,814 | | (16,534) |
| Net cash provided by/(used in) operating activities | | (338,564) | | (133,326) |
| Cash flows from investing activities: | | | | |
| Interest from investments | | 43,747 | | 13 |
| Proceeds from sale of tangible fixed assets | | 2,669,397 | | - |
| Proceeds on sale of investments | | 242,700 | | - |
| Purchase of investments | | (2,105,083) | | - |
| Purchase of tangible fixed assets | 12 | (9,448) | | (2,954) |
| Net cash provided by/(used in) investing activities | | 841,313 | | (2,941) |
| Increase/(decrease) in cash | | 502,749 | | (136,267) |
| Cash and cash equivalents at the beginning of the year | | 198,169 | | 334,436 |
| Cash and cash equivalents at the end of the year | | 700,818 | | 198,169 |

| | 1 April 2022 £ | Cashflow £ | 31 March 2023 £ |
|---------------------------------|-------------------|----------------|-----------------------|
| Cash at bank and in hand | 198,169 | 502,749 | 700,918 |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Statutory information

National Association of Flower Arrangement Societies 2003 (NAFAS) is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

2 Accounting policies

2.1 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) and the Companies Act 2006.

NAFAS meets the definition of a public benefit entity under FRS102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties about the group's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

2.2 Group financial statements

The financial statements consolidate the results of the charity, its wholly owned subsidiary, NAFAS Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented as the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

2.3 Income

All income is recognised in the Statement of Financial Activities once the group has gained entitlement to them and the amounts can be quantified with sufficient reliability.

Donations and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

Investment income is recognised in the financial statements when receivable.

2.4 Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is included within the item of expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in pursuit of its charitable objectives. It includes both direct costs and support costs relating to such activities. Support costs, including salaries, are apportioned on the basis of the time involved on the activity.

Governance costs include those costs associated with meeting the statutory requirements of the group and include the audit fees and costs linked to strategic management of the group.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------|---------------------------------|
| Computer equipment | Straight line – over four years |
|--------------------|---------------------------------|

| | |
|------------------------|---------------------------------|
| Furniture and fittings | Straight line – over four years |
|------------------------|---------------------------------|

Freehold land is not depreciated. The freehold building is depreciated over 100 years from the year after purchase and is subject to an annual impairment review. The building carries a Grade 2 listing and its useful life is expected to exceed 100 years.

2.6 Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.7 Stock

Stocks are valued at the lower of cost and net realisable value.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.10 Creditors and provisions

Creditors and provisions are recognised where the group has 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.

2.11 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

2.12 Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The charity contributes to employees' personal pension schemes. The pension costs charged in the financial statements represent the contributions payable during the year.

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.13 Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are funds provided for a specific purpose that must be spent in line with funder's requirements.

2.14 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

3 Donations and Legacies

| | General funds £ | Designated funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|-------|-----------------------|--------------------------|--------------------------|--------------------|--------------------|
| Other | 2,401 | - | - | 2,401 | 2,750 |
| | <u>2,401</u> | <u>-</u> | <u>-</u> | <u>2,401</u> | <u>2,750</u> |

4 Income from charitable activities

| | General funds £ | Designated funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|-----------------------------------|-----------------------|--------------------------|--------------------------|--------------------|--------------------|
| Affiliation and direct membership | 152,285 | - | - | 152,285 | 173,645 |
| Shows and Assemblies | 75,170 | - | - | 75,170 | 4,579 |
| | <u>227,455</u> | <u>-</u> | <u>-</u> | <u>227,455</u> | <u>178,224</u> |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Analysis of group charitable activities

| | Total 2023 £ | Total 2022 £ |
|------------------------------|--------------------|--------------------|
| Staff costs | 98,214 | 75,959 |
| WAFA | 999 | 2,750 |
| Westminster Abbey Flowers | 9,296 | 3,863 |
| Chelsea Flower Show | - | 7,288 |
| Committees:- | | |
| Photography Committee | - | 100 |
| Demonstrators Committee | 25,685 | 2,452 |
| Education Committee | 4,050 | 7,487 |
| Support and governance costs | 254,306 | 182,602 |
| Other activities | 60,721 | 1,946 |
| | <u>453,271</u> | <u>284,477</u> |

Total staff costs of £168,320 as per note 11 are split as £98,214 charitable activities (2022: £75,959) and £70,106 raising funds (2022: £84,627).

6 Analysis of costs - 2023

| | Direct costs £ | Support costs £ | Governance costs £ | Total 2023 £ | Total 2022 £ |
|--------------------------------|----------------------|-----------------------|--------------------------|--------------------|--------------------|
| Charitable activities:- | | | | | |
| Operations | 198,965 | 239,625 | 14,681 | 453,271 | 284,447 |
| | <u>198,965</u> | <u>239,625</u> | <u>14,681</u> | <u>453,271</u> | <u>284,447</u> |
| Raising funds:- | | | | | |
| Costs of trading subsidiary | 240,121 | - | 4,250 | 244,371 | 239,508 |
| | <u>439,086</u> | <u>239,625</u> | <u>18,931</u> | <u>697,642</u> | <u>523,955</u> |

Analysis of costs - 2022

| | Direct costs £ | Support costs £ | Governance costs £ | Total 2022 £ |
|--------------------------------|----------------------|-----------------------|--------------------------|--------------------|
| Charitable activities:- | | | | |
| Operations | 101,845 | 167,236 | 15,366 | 284,477 |
| | <u>101,845</u> | <u>167,236</u> | <u>15,366</u> | <u>284,777</u> |
| Raising funds:- | | | | |
| Costs of trading subsidiary | 235,242 | - | 4,266 | 239,508 |
| Total | <u>337,087</u> | <u>167,236</u> | <u>19,632</u> | <u>523,955</u> |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Governance costs

| | Total 2023 £ | Total 2022 £ |
|-----------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | | |
| Audit | 8,426 | 10,000 |
| Other services | 4,250 | 4,266 |
| Legal and professional fees | 6,255 | 5,366 |
| Total | 18,931 | 19,632 |

8 Net income for the year

| | 2023 £ | 2022 £ |
|---------------------------------|-------------------|-------------------|
| This is stated after charging: | | |
| Auditors remuneration: | | |
| Audit | 8,426 | 10,000 |
| Other services | 4,250 | 4,266 |
| Expenses reimbursed to Trustees | 2,751 | 1,152 |
| Depreciation | 1,871 | 7,465 |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT SOCIETIES 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Comparative Statement of Financial Activities – Year ended 31 March 2022

| | | General funds | Designated funds | Restricted funds | Total 2022 |
|---------------------------------------|-------|------------------|---------------------|---------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and legacies | 3 | 2,750 | - | - | 2,750 |
| Charitable activities: | | | | | |
| Affiliation & direct membership fees | 4 | 170,586 | 3,059 | - | 173,645 |
| Shows and assemblies | 4 | 4,579 | - | - | 4,579 |
| Other trading activities: | | | | | |
| Trading income | 10 | 239,227 | - | - | 239,227 |
| Investment income | | 13 | - | - | 13 |
| Other | | 17,801 | - | - | 17,801 |
| Total income | | 434,956 | 3,059 | - | 438,015 |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Costs of trading subsidiary | | 239,508 | - | - | 239,508 |
| Charitable activities: | | | | | |
| Operations | 5 | 283,767 | 680 | - | 284,447 |
| Total expenditure | | 523,275 | 680 | - | 523,955 |
| Net Income / (expenditure) | | (88,319) | 2,379 | - | (85,940) |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | (88,319) | 2,379 | - | (85,940) |
| Fund balances at 1 April 2021 | | 1,437,395 | 28,831 | 6,100 | 1,472,326 |
| Fund balances at 31 March 2022 | | 1,349,076 | 31,210 | 6,100 | 1,386,386 |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Subsidiaries

The wholly owned subsidiary NAFAS Enterprises Limited is incorporated in England and Wales (company number: 1829011). The subsidiary donates all of its profits to NAFAS.

The summary financial performance of the subsidiary is as follows:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Turnover | 227,052 | 239,223 |
| Cost of sales and administration costs | (244,371) | (239,508) |
| Interest receivable | 86 | 4 |
| Net profit/(Loss) | (17,319) | (281) |
| Amount donated to the charity | - | - |
| Retained in subsidiary | (17,319) | (281) |

The current assets and liabilities of the subsidiary were:

| | | |
|--------------------------------------|----------|----------|
| Current assets | 49,834 | 66,487 |
| Current liabilities | (18,815) | (18,235) |
| Total net assets | 31,019 | 48,252 |
| Aggregate share capital and reserves | 31,019 | 48,252 |

11 Staff costs

Number of employees

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|-----------------------|----------------|----------------|
| Charitable activities | 5 | 4 |

Employment costs

| | 2023 £ | 2022 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 147,009 | 139,516 |
| Social security costs | 14,871 | 14,371 |
| Other pension costs | 6,440 | 6,699 |
| | 168,320 | 160,586 |

One employee received total employee benefits of £60,000 or more in 2023 (2022: None).

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Staff costs (continued)

The key management personnel of the charity comprise the Chief Executive Officer, The Secretary and the Administrative Secretary. The total employee benefits of key management personnel of the charity were £127,816 (2022: £140,572). This includes Employer's National Insurance and pension contributions.

None of the Trustees received any remuneration during the year.

There are no employees in the subsidiary company.

12 Tangible fixed assets

| | Freehold property £ | Website design £ | Furniture and equipment £ | Total £ |
|-------------------------|---------------------------|------------------------|---------------------------------|---------------|
| Cost | | | | |
| At 1 April 2022 | 1,537,084 | 12,977 | 1,107 | 1,551,168 |
| Additions | - | - | 9,448 | 9,448 |
| Disposals | (1,537,084) | - | - | (1,537,084) |
| At 31 March 2023 | - | 12,977 | 10,555 | 23,532 |
| Depreciation | | | | |
| At 1 April 2022 | 106,481 | 10,467 | 604 | 117,552 |
| Charge for the year | - | 1,006 | 866 | 1,872 |
| Disposals | (106,481) | - | - | (106,481) |
| At 31 March 2023 | - | 11,473 | 1,470 | 12,943 |
| Net book value | | | | |
| At 31 March 2023 | - | 1,504 | 9,085 | 10,589 |
| At 31 March 2022 | 1,430,603 | 2,510 | 503 | 1,433,616 |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Investments

| | Group | | Charity | |
|--------------------------------------|------------------|----------|------------------|----------|
| | £ | £ | £ | £ |
| | 2023 | 2022 | 2023 | 2022 |
| At beginning of the year | - | - | - | - |
| Additions | 3,513,774 | - | 3,513,774 | - |
| Disposals at opening fair value | (256,276) | - | (256,276) | - |
| Unrealised investment gains/(losses) | (25,982) | - | (25,982) | - |
| | | | | |
| At 31 March 2023 | 3,231,516 | - | 3,231,516 | - |

13 Investments (continued)

| | | | | |
|---|------------------|----------|------------------|----------|
| Quoted investments | | | | |
| Fixed interest | 846,092 | - | 846,092 | - |
| UK equities | 808,725 | - | 808,725 | - |
| Overseas equities | 974,320 | - | 974,320 | - |
| Alternatives | 602,379 | - | 602,379 | - |
| | | | | |
| At 31 March 2023 | 3,231,516 | - | 3,231,516 | - |
| Investment in subsidiary undertaking | - | - | 4 | 4 |
| | | | | |
| At 31 March 2023 | - | - | 3,231,520 | 4 |

Note 10 provides further information regarding the investment in NAFAS Enterprises Limited.

Investment losses shown on the Statement of Financial Activities of £36,588 (2022: £Nil) include unrealised losses on investments of £25,982 (2022: £Nil) and realised losses of £10,606 (2022: £nil).

14 Stock

| | 2023 | | 2022 | |
|------------------|--------|---------|--------|---------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Goods for resale | 20,258 | - | 12,834 | - |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

| 15 Debtors | 2023 | | 2022 | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Trade debtors | 10,281 | 9,260 | 20,304 | 10,835 |
| Prepayments | 15,790 | 15,790 | 21,636 | 19,012 |
| Amounts owed from subsidiary company | - | 12,714 | - | 3,243 |
| Other debtors | 28,032 | 20,327 | 1,349 | 1,349 |
| | <u>54,103</u> | <u>58,091</u> | <u>43,289</u> | <u>34,439</u> |

| 16 Creditors: amounts falling due within one year | 2023 | | 2022 | |
|---|----------------|----------------|----------------|----------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Trade creditors | 8,837 | 7,333 | 21,178 | 18,297 |
| Taxes and social security costs | 4,064 | 4,064 | 4,531 | 10,098 |
| Accruals and deferred income | 139,728 | 135,103 | 131,155 | 119,045 |
| Bank loan | - | - | 30,000 | 30,000 |
| Other creditors | 26,074 | - | 9,658 | 9,720 |
| | <u>178,703</u> | <u>172,596</u> | <u>196,522</u> | <u>187,160</u> |

Deferred income analysis:

| | 2023 | | 2022 | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Deferred income at 1 April 2022 | 109,763 | 109,763 | 135,557 | 135,557 |
| Released during year | (109,763) | (109,763) | (135,557) | (135,557) |
| Deferred in year | 124,605 | 124,605 | 109,763 | 109,763 |
| Deferred income at 31 March 2023 | <u>124,605</u> | <u>124,605</u> | <u>109,763</u> | <u>109,763</u> |

Deferred income is in relation to affiliation fees received in advance.

| 17 Creditors: amounts falling due in More than one year | 2023 | | 2022 | |
|---|------------|--------------|----------------|----------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Bank loan | - | - | 105,000 | 105,000 |
| | <u>-</u> | <u>-</u> | <u>105,000</u> | <u>105,000</u> |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Bank loans

Bank loans are wholly repayable in instalments as follows:

| | 2023 £ | 2022 £ |
|-------------------------|-----------|----------------|
| Due in less than 1 year | - | 30,000 |
| Due in 1 – 5 years | - | 105,000 |
| Due in over 5 years | - | - |
| | <u>-</u> | <u>135,000</u> |

During the year Trustees took the decision to repay the loan in full.

19 Operating lease commitments

At the year end, the following commitments were in place in respect of operating leases:

| | 2023 Group £ | Charity £ | 2022 Group £ | Charity £ |
|--------------------------|--------------------|----------------|--------------------|--------------|
| Within one year | 51,175 | 51,942 | 4,260 | 4,260 |
| Within two to five years | <u>145,729</u> | <u>146,687</u> | <u>5,236</u> | <u>5,236</u> |
| | <u>196,904</u> | <u>198,628</u> | <u>9,586</u> | <u>9,586</u> |

Lease payments recognised as an expense in the year totalled £29,381 (2022: £5,504).

20 Analysis of net assets – 2023 (consolidated)

| | General funds £ | Designated funds £ | Restricted funds £ | Total Funds £ |
|---------------------|-----------------------|--------------------------|--------------------------|---------------------|
| Fixed assets | 3,242,105 | - | - | 3,242,105 |
| Current assets | 734,751 | 34,428 | 6,100 | 775,279 |
| Current liabilities | (178,703) | - | - | (178,703) |
| | <u>3,798,153</u> | <u>34,428</u> | <u>6,100</u> | <u>3,838,681</u> |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets – 2022 (consolidated) (continued)

| | General funds £ | Designated funds £ | Restricted funds £ | Total Funds £ |
|-----------------------|-----------------------|--------------------------|--------------------------|---------------------|
| Fixed assets | 1,433,616 | - | - | 1,433,616 |
| Current assets | 216,982 | 31,210 | 6,100 | 254,292 |
| Current liabilities | (196,522) | - | - | (196,522) |
| Long term liabilities | (105,000) | - | - | (105,000) |
| | <u>1,349,076</u> | <u>31,210</u> | <u>6,100</u> | <u>1,386,386</u> |

21 Analysis of funds - 2023

| | Balance at 1 April 2022 £ | Incoming resources £ | Resources expended £ | Net losses on investments £ | Balance at 31 March 2023 £ |
|----------------------------|---------------------------------|----------------------------|----------------------------|--------------------------------------|----------------------------------|
| Unrestricted funds: | | | | | |
| General funds | 1,349,076 | 3,183,307 | (697,642) | (36,588) | 3,798,153 |
| Designated funds: | | | | | |
| WAFA Special Fund | 16,785 | - | - | - | 16,785 |
| Overseas Travel Reserve | 14,376 | 3,218 | - | - | 14,376 |
| Remembrance Fund | 49 | - | - | - | 49 |
| Restricted funds: | | | | | |
| Workshop | 5,000 | - | - | - | 5,000 |
| Calligraphy & Engraving | 1,100 | - | - | - | 1,100 |
| | <u>1,386,386</u> | <u>3,186,525</u> | <u>(697,642)</u> | <u>(36,588)</u> | <u>3,838,681</u> |

21 Analysis of funds – 2022

| | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Balance at 31 March 2022 £ |
|----------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| Unrestricted funds: | | | | |
| General funds | 1,437,395 | 434,956 | (523,275) | 1,349,076 |
| Designated funds: | | | | |
| WAFA Special Fund | 16,785 | - | - | 16,785 |
| Overseas Travel Reserve | 11,317 | 3,059 | - | 14,376 |
| Heritage Fund | 680 | - | (680) | - |
| Remembrance fund | 49 | - | - | 49 |
| Restricted funds: | | | | |
| Workshop | 5,000 | - | - | 5,000 |
| Calligraphy & Engraving | 1,100 | - | - | 1,100 |
| | <u>1,472,326</u> | <u>438,015</u> | <u>(523,955)</u> | <u>1,386,386</u> |

NATIONAL ASSOCIATION OF FLOWER ARRANGEMENT 2003

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Designated funds

The WAFA Special Fund was opened to enable "Best in Show" prize winners at future NAFAS National Shows to represent the charity at forthcoming WAFA World Shows.

The Overseas Travel Reserve provides for officials' travel costs to the World Association of Flower Arrangers (WAFA) World Show, held every three years and for the charity's annual subscription to WAFA. It is funded by an annual transfer from the General Reserve at the rate of 10p for each affiliated member.

The Headquarters Heritage Fund was opened to provide for the periodic refurbishment of the charity's freehold premises, which is a Grade II listed building.

The Remembrance Fund consists of donations received in memory of members to be recorded in the book of remembrance.

Restricted funds

The Workshop Fund consists of a donation received for the refurbishment of a room at Head Office for floral workshops to members and the general public.

The Calligraphy & Engraving Fund has arisen as a result of donations received toward the engraving of the Associations trophies, showing winners of various competitions, and the calligraphy of framed pictures listing the Associations National Officers and Presidents.

22 Taxation

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 1 of the Corporation Tax Act 2010.

23 Related party transactions

The charity has taken advantage of Paragraph 33.1A of FRS 102 not to disclose transactions with wholly owned subsidiaries.

During the year the charity paid expenses of £2,751 to 7 trustees (2022: £1,152 to four trustees).