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- PRINT ON ONE SIDE ONLY

# FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

National Society for Education in Art and Design

Year ended:

30 September 2016

List no:

680T

Head or Main Office:

3 Masons Wharf  
Potley Lane  
Corsham  
Wiltshire  
SN13 9FY

Website address (if available)

www.nsead.org

Has the address changed during the year to which the return relates?

Yes

No

(Click the appropriate box)

General Secretary:

Lesley Butterworth

Telephone Number:

01225 810134

Contact name for queries regarding

Anne Ingall

Telephone Number:

01225 810134

E-mail:

info@nsead.org

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

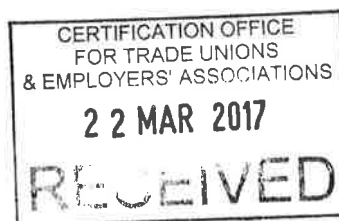
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2017)

**NSEAD COUNCIL**

**Finance & General Purposes Committee as at 30 September 2016**

**Ged Gast** (President)

**Peter Gregory** (President-Elect)

**Rachel Payne** (Vice-President)

**Marlene Wylie** (Vice- President)

**John Childs** (Honorary Treasurer)

**Lesley Butterworth** (General Secretary)

# RETURN OF MEMBERS

(see notes 10 and 11)

NUMBER OF MEMBERS AT THE END OF THE YEAR					
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	The Society makes no distinction between male and female members				
FEMALE					
<b>TOTAL</b>	1,899	14	6	46	<b>A 1,965</b>

Number of members included in totals box 'A' above for whom no home or authorised address is held:

6
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Number of members at end of year contributing to the General Fund

1,658
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## OFFICERS IN POST

(see note 12)

**Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.**

## RETURN OF CHANGE OF OFFICERS

**Please complete the following to record any changes of officers during the twelve months covered by this return.**

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	G Gast	G Gast	01/01/2016
President-Elect	-	Dr P Gregory	01/01/2016
Vice-President	M Wylie	M Wylie	01/01/2016
Vice-President	Dr P Gregory	R Payne	01/01/2016
Past-President	S Coles	-	01/01/2016
Honorary Treasurer	J Childs	J Childs	01/01/2016

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		207,022
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		207,022
<b>Investment income (as at page 12)</b>		
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	50,025	
<b>Total of other income (as at page 4)</b>		50,025
		<b>TOTAL INCOME</b>
		257,047
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		34,587
<b>Administrative expenses (as at page 10)</b>		223,533
<b>Federation and other bodies (specify)</b>		
<b>Total expenditure Federation and other bodies</b>		
<b>Taxation</b>		
		<b>TOTAL EXPENDITURE</b>
		258,120
		Surplus (deficit) for year
		(1,073)
		Amount of general fund at beginning of year
		75,656
		Amount of general fund at end of year
		74,583

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Sale of publications	1,316	
CPD	13,714	
AD Magazine	3,995	
iJade	22,220	
CfSA	2,700	
Miscellaneous income	355	
Website income	625	
Rent received	5,100	
<b>TOTAL OTHER INCOME</b>		50,025
<b>TOTAL OF ALL OTHER INCOME</b>		50,025

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		<b>brought forward</b>	34,587
		Education and Training services	
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications Membership activity and communication costs (see note 8 to the accounts)	34,587	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>	34,587	<b>Total (should agree with figure in General Fund)</b>	34,587

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		



(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total income	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
			Total expenditure
		Surplus (deficit) for year	
		Amount of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
		Total other income as specified	
		Total income	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
			Total expenditure
		Surplus (deficit) for year	
		Amount held on behalf of trade union political fund at beginning of year	
		Amount remitted to central political fund	
		Amount held on behalf of central political fund at end of year	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

	£
<b>Administrative Expenses</b>	
Remuneration and expenses of staff	121,075
Salaries and Wages included in above	£113,881
Auditors' fees	8,858
Legal and Professional fees	
Occupancy costs	
Stationery, printing, postage, telephone, etc.	4,702
Expenses of Executive Committee (Head Office)	
Expenses of conferences	
Other administrative expenses (specify)	
Bank charges	2,820
Irrecoverable VAT	3,974
Pension administration	716
Sundry expenses	875
<b>Other Outgoings</b>	
Interest payable:	
Bank loans (including overdrafts)	5,486
Mortgages	
Other loans	
Depreciation	8,121
Taxation	
Outgoings on land and buildings (specify)	
Rates, gas and electricity	1,899
Insurance	1,276
Repairs and maintenance etc.	1,654
Other outgoings (specify)	
Equipment hire and computer running costs	7,920
Other operating expenditure (note 11 to the accounts)	54,157
<b>Total</b>	<b>223,533</b>
Charged to:	
General Fund (Page 3)	223,533
<b>Total</b>	<b>223,533</b>





# BALANCE SHEET as at 30 September 2016

(see notes 47 to 50)

Previous Year		£	£
266,276	<b>Fixed Assets</b> (at page 14)		258,155
	<b>Investments</b> (as per analysis on page 15)		
	Quoted (Market value £ )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
	Loans to other trade unions		
7,146	Sundry debtors	6,508	
32,163	Cash at bank and in hand	23,272	
	Income tax to be recovered		
11,073	Stocks of goods	11,133	
	Others (specify)		
50,382	<b>Total of other assets</b>		40,913
316,658	<b>TOTAL ASSETS</b>		299,068
75,656	Fund (Account 1)		74,583
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
190,969	Loans: Other		180,350
	Bank overdraft		
	Tax payable		
17,507	Sundry creditors		15,667
13,331	Accrued expenses		12,365
	Provisions		
19,195	Other liabilities: subscriptions in advance		16,103
241,002	<b>TOTAL LIABILITIES</b>		224,485
316,658	<b>TOTAL ASSETS</b>		299,068

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year		290,486	43,421			333,907
Additions						
Disposals						
Revaluation/Transfer						
At end of year		290,486	43,421			333,907
<b>Accumulated Depreciation</b>						
At start of year		31,655	35,976			67,631
Charges for year		5,810	2,311			8,121
Disposals						
Revaluation/Transfer						
At end of year		37,645	38,287			75,752
<b>Net book value at end of year</b>						
		253,021	5,134			258,155
<b>Net book value at end of previous year</b>						
		258,831	7,445			266,276

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

<b>QUOTED</b>	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
<b>UNQUOTED</b> Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	207,022		207,022
From Investments			
Other Income (including increases by revaluation of assets)	50,025		50,025
<b>Total Income</b>	257,047		257,047
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	258,120		258,120
<b>Funds at beginning of year</b> (including reserves)	75,656		75,656
<b>Funds at end of year</b> (including reserves)	74,583		74,583
<b>ASSETS</b>			
Fixed Assets			258,155
Investment Assets			
Other Assets			40,913
		<b>Total Assets</b>	299,068
<b>LIABILITIES</b>		<b>Total Liabilities</b>	224,485
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			74,583

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

See attached Notes to the Financial Statements.

# ACCOUNTING POLICIES

(see notes 74 and 75)

See attached Notes to the Financial Statements.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Lesley Butterworth</u>  Name: <u>LESLEY BUTTERWORTH</u> Date: <u>15/3/17</u>	Chairman's Signature: <u>Peter Gregory</u> (or other official whose position should be stated)  Name: <u>PETER GREGORY</u> Date: <u>15/3/17</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

See attached Independent Auditors' Report.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF THE NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN**

We have audited the financial statements of the National Society for Education in Art & Design for the year ended 30 September 2016, set out on pages 3 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Society's Council and auditors**

As explained more fully in the Statement of Responsibilities of the Council on page 1, the Council of the Society is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Society's Council; and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 30 September 2016 and of its income and expenditure for the year then ended.

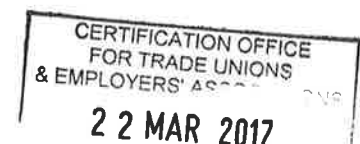
**Matters on which we are required to report by exception**

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Society has not kept proper accounting records.
- The financial statements are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

H W FISHER & COMPANY  
Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London, NW1 3ER



Dated: 14 March 2017

# AUDITOR'S REPORT (section one)

Signature(s) of auditor or auditors:	<i>HW Fisher &amp; Co.</i>	
Name(s):	HW Fisher & Company	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	Acre House 11-15 William Road London NW1 3ER	
Date:	<i>21 March</i>	<i>2017</i>
Contact name and telephone number:	Sailesh Mehta 020 7388 7000	
N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.		

# MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the  
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

NO

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

## MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

*For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to  
appoint an independent assurer*

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/NO

2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/NO

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**



## MEMBERSHIP AUDIT CERTIFICATE


### SECTION TWO

*For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.*

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES

If "NO" Please explain below:

Signature	
Name	Lesley Butterworth
Office held	General Secretary
Date	13 March 2017

# NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

### 1 INFORMATION IN RESPECT OF THE SOCIETY

The National Society For Education In Art & Design is a trade union registered in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 with its head office at 3 Masons Wharf, Potley Lane, Corsham, Wiltshire, SN13 9FY.

### 2 ACCOUNTING FRAMEWORK

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

In accordance with FRS102, the format of these accounts is based on those contained in the Regulations to the Companies Act 2006, notwithstanding that the Society does not report under that Act. The formats have been adapted, as required by Part 1 of Schedule 1 of the Regulations, in order that they give a true and fair view of the Society's activities.

These financial statements for the year ended 30 September 2016 are the first financial statements of the Society prepared in accordance with FRS102. The date of transition to FRS102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the Society's reported financial position and financial performance is given in note 21.

### 3 PRESENTATION CURRENCY

The financial statements are presented in pounds sterling and rounded to the nearest pound.

### 4 GOING CONCERN

The Society has net current liabilities as at 30 September 2016. Creditors due in less than one year include deferred subscription income from members which is not expected to become payable. On this basis the Council expects the Society to have adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with the specific accounting policies set out below.

#### (a) Subscription income

Member subscriptions are accounted for on an accruals basis.

#### (b) Expenditure

Expenditure in the accounts is presented inclusive of VAT where applicable.

# NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 30 SEPTEMBER 2016

#### 5 SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (c) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from result for the year as reported in the income and expenditure account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Society's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the results reported in the income and expenditure account.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves. Deferred tax assets and liabilities are offset when the Society has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### (d) Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. At each reporting date, the Society reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the income and expenditure account.

# NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 30 SEPTEMBER 2016

#### 5 SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (d) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets to write off the cost, less estimated residual value, on a straight line basis over the estimated useful lives of the assets. The rates applied are as follows:

Land and buildings (long leasehold) -	2% straight line
Computer equipment -	33% per annum
Office furniture & equipment -	10% per annum

The gain or loss arising on the disposal of a tangible fixed asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

##### (e) Financial assets and liabilities

The Society applies sections 11 and 12 of FRS102 to all of its financial instruments. Financial assets and liabilities are grouped as either "Basic financial assets or liabilities" or "Other financial assets or liabilities" based on their particular characteristics and are accounted for accordingly.

###### *Basic financial assets*

Basic financial assets include cash and bank balances and trade and other debtors. Basic financial assets are initially measured at transaction price and subsequently measured at cost less any impairment losses.

###### *Impairment of financial assets*

At each reporting date, the Society reviews the carrying amounts of all financial assets carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the income and expenditure account.

###### *Basic financial liabilities*

Basic financial liabilities include trade and other creditors and bank loans. Basic financial liabilities are initially measured at transaction price and subsequently measured at cost. Debt instruments repayable in more than one year, including bank loans, are subsequently measured at amortised cost using the effective interest method, in order to systematically allocate the interest expense over the expected repayment period of the debt.

**NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30 SEPTEMBER 2016**

<b>6 OTHER OPERATING INCOME</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Sale of publications	1,316	2,080
CPD	13,714	21,520
AD magazine	3,995	3,271
ijADE	22,220	21,937
CfSA	2,700	4,117
	<u>43,945</u>	<u>52,925</u>

**7 EMPLOYEES**

The average monthly number of persons (including officers) employed by the society during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Total	<u>4</u>	<u>4</u>

**8 MEMBERSHIP ACTIVITY AND COMMUNICATION COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Legal fees	7,712	4,837
F & GP and Council expenses	11,496	8,873
PD Board expenses	115	77
Curriculum Board expenses	236	1,332
Publications Board expenses	77	169
General Secretary's expenses	6,887	5,838
Assistant General Secretary's expenses	734	973
Staff expenses	131	80
Printing, postage and stationery	1,739	2,214
Telephone, fax and email	2,944	2,237
Website costs	847	2,083
Books, subscriptions and donations	-	94
TU adviser	174	1,385
Sundry expenses	-	152
All-Party Parliamentary Group expenses	671	477
Kent Art Teachers	150	(831)
PGCE Visit Expense	674	1,355
	<u>34,587</u>	<u>31,345</u>

**NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30 SEPTEMBER 2016**

**9 PREMISES AND EQUIPMENT COSTS**

	2016	2015
	£	£
Rates, gas and electricity	1,899	2,491
Insurance	1,276	1,341
Equipment hire	1,019	1,154
Repairs and maintenance	571	420
Computer running costs	5,371	3,796
Database maintenance	1,530	1,530
Depreciation	8,121	7,727
Waste Disposal	565	467
Fire protection	518	-
	<u>20,870</u>	<u>18,926</u>

**10 ADMINISTRATION EXPENSES**

	2016	2015
	£	£
Printing, postage and stationery	4,702	2,872
Audit and accountancy	8,858	10,038
Bank charges	2,820	3,452
Irrecoverable VAT	3,974	3,520
Write offs	-	1,315
Pension administration	716	-
Sundry expenses	875	761
	<u>21,945</u>	<u>21,958</u>

NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

11 OTHER OPERATING EXPENDITURE

	2016	2015
	£	£
Publications	90	5,886
CPD	20,753	20,576
AD magazine expenses	23,732	22,624
ijADE	8,097	8,915
CfSA	1,485	1,342
	<u>54,157</u>	<u>59,343</u>

12 OTHER INCOME

	2016	2015
	£	£
Miscellaneous income	355	1,891
Dividends	-	8
Website income	625	535
Rent received	5,100	7,225
	<u>6,080</u>	<u>9,659</u>

NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

13 TANGIBLE FIXED ASSETS

	Land and buildings (long leasehold) £	Computer Equipment £	Office furniture and equipment £	Total £
Cost				
As at 1 October 2015	290,486	12,371	31,050	333,907
Additions	-	-	-	-
<b>As at 30 September 2016</b>	<b>290,486</b>	<b>12,371</b>	<b>31,050</b>	<b>333,907</b>
Depreciation				
As at 1 October 2015	31,655	11,387	24,589	67,631
Charge for year	5,810	787	1,524	8,121
<b>As at 30 September 2016</b>	<b>37,465</b>	<b>12,174</b>	<b>26,113</b>	<b>75,752</b>
<b>Net book value</b>				
<b>As at 30 September 2016</b>	<b>253,021</b>	<b>197</b>	<b>4,937</b>	<b>258,155</b>
As at 30 September 2015	258,831	984	6,461	266,276

14 STOCKS

	2016 £	2015 £
Finished goods and goods for resale	11,133	11,073

15 DEBTORS AND PREPAYMENTS

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,356	3,569
Other debtors	54	54
Prepayments and accrued income	3,098	3,523
	<b>6,508</b>	<b>7,146</b>



**NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30 SEPTEMBER 2016**

**16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Bank loans	10,899	10,549
Trade creditors	8,556	10,321
Other taxes and social security costs	3,017	3,091
Other creditors	4,094	4,095
Accruals	12,365	13,331
Subscriptions in advance	16,103	19,195
	55,034	60,582

**17 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR**

	2016	2015
	£	£
Bank loans	169,451	180,420
	169,451	180,420

**18 BORROWINGS**

**Bank loan maturity analysis**

Repayable by instalments which fall due as follows:

Within one year	10,899	10,549
Between two and five years	46,137	44,872
In greater than five years	123,314	135,548
	180,350	190,969

The bank loan is secured by way of a fixed charge over the Society's Land and Buildings. It is repayable in monthly instalments over a period of 20 years. Interest is payable at 2.5% above the Unity Trust Bank base rate.

**19 FINANCIAL COMMITMENTS**

At the balance sheet date the Society had outstanding commitments for future payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
<b>Office equipment</b>		
Within one year	1,060	1,060
Between two and five years	1,590	2,650
	2,650	3,710

**NATIONAL SOCIETY FOR EDUCATION IN ART & DESIGN**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30 SEPTEMBER 2016**

**20 RELATED PARTY TRANSACTIONS**

The President and the members of the Council do not receive any salary from the Society or any benefits. The President and the members of the Council are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Society, as is the General Secretary. Separately, due to the specialist skills and experience held by the Society's Council members, the Society will, when the need arises, engage these individuals to perform work on its behalf. During the year the Society engaged its President to provide trade union advice and support services, the cost of which is included within "Membership activity and communication" and totalled £174.

**21 TRANSITION TO FRS102**

On transition to FRS102 the Society has recognised a liability, presented within "Creditors: amounts falling due within one year", in respect of the cost of accrued but unused employee holiday entitlement. This adjustment reduced reserves as at the date of transition, 1 October 2014, and as at 30 September 2015 by £2,949. There were no other effects on the Society's reported financial position and financial performance arising from the transition to FRS102.