

Crafts Council
Annual Report
2021/2022



**The Experimental Weave Lab,
Philippa Brock.**



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Our Purpose and Vision

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Our purpose is to champion craft and its positive impact on society. Throughout our 50-year history we have provided leadership for the sector; supported and promoted thousands of craft businesses; advocated for children and young people to have access to craft materials and education; and created inspiring and thought-provoking content enjoyed by millions of people. At the heart of our work is a community of makers who we support and celebrate from everyday making to cutting-edge technology.

The Covid pandemic, Black Lives Matter and climate emergency have posed new challenges and have highlighted inequalities in the craft world and society. These events inform our work as the champion for craft and highlight the need for the Crafts Council to engage with a wider and more diverse audience, and to focus on the process of craft and its social and economic benefits. Our aim is to do this, working with our stakeholders and communities to shape activity of the highest quality and delivered at the local, national and international level.

Acting Executive Director Introduction

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The start of our 50th anniversary year was completely different to the one that we had envisaged just 15 months before. This significant milestone had meant to act as a catalyst for new and progressive activities that would set us up for another 50 years. Instead, the challenges of the pandemic meant that forward-planning had become almost impossible, with new variants and ever-shifting regulations challenging us every step of the way.

So, when we finally opened the Crafts Council Gallery in July 2021 it was a moment for a restrained celebration. Our exhibition programme, outlined in this report was supported by a rich programme of talks, workshops, debates and discussions that drew a new audience in to the Crafts Council. That of local families and young people, students from neighbouring colleges and universities, craft professionals and the culturally curious. Programming has continued to challenge perceptions of who the Crafts Council is for, as well as expanding an understanding of who makes and why.

Right

The Crafts Council Gallery.
Photo: David Grandorge.



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A little later than planned – and shaped to reflect the concerns of the moment, we launched Make! Craft! Live! – a programme of 50 events from across the UK that celebrated craft in its many guises. An open call encouraged a wide variety of organisations to submit projects to be part of this shared endeavour to create a snapshot of the diversity of making across the country to mark our anniversary. The range, quality, and passion inherent in these projects has been inspiring, with many working with the Crafts Council for the first time. We look forward to strengthening these ties in the future.

Work with makers has been driven by their needs and concerns emerging from the pandemic. Digital delivery of talks and one-to-one sessions has seen us reach ever greater numbers of makers, alongside several international projects that have helped makers gain new skills and forge new connections. The sense of community that these programmes generate is palpable, and increasingly vital in a post-pandemic world that continues to present significant challenges for makers – the fall out of Brexit.

The launch of our school's programme, Craft School, spearheaded by Crafts Council Trustee Yinka Ilori, saw 100 schools sign up to take part. The peer network for teachers has been an especially valuable aspect of the programme, helping to instil teacher confidence and create space for play and experimentation.

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These are just a few highlights from a year that as this report is testament to, offers up a staggering amount of activity across all our programmes. None of this is possible without the passion and dedication of our staff. Their deep knowledge, boundless enthusiasm, and curiosity all ensure that the quality of our output and activities is consistently high and increasingly shaped in dialogue with our audiences.

Their work would not be made possible without the support of our funders, supporters and trustees.

It is a privilege to work amongst them, and a joy to share a report that demonstrates the impact that their actions can have.

Natalie Melton

Acting Executive Director



**Maker's Eye at the
Crafts Council Gallery.**



01.

Engaging New Audiences with the Power of Craft

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Our public programming is an opportunity to explore a range of social and cultural issues through craft and making, demonstrating the role that craft can play in addressing issues. Our programming has helped us reach new audiences, cementing the gallery as an important addition to the local cultural landscape in Islington, providing a new space for marginalised communities to connect with issues that resonate with them. After a long period of social isolation, the gentle emergence of an audience for our space has been a welcome addition to our portfolio of activities.

1.1 Exhibitions and Collections

Maker's Eye: Stories of Craft, 7 July 2021 – 9 October 2021, was the first exhibition in the new Crafts Council Gallery. It celebrated the breadth, diversity and qualities of craft with a showcase of more than 150 craft objects from our Collections, made in the UK over the last 50 years. This exhibition was curated by 13 makers, putting their views on craft and making at its centre. Together, they represented a cross-section of craft interests, disciplines, career stages and models of practice. We asked them to select up to 15 objects in response to the brief "What does craft look like and mean to you?".

Right

Maker's Eye selector Esna Su with piece by Alison Britton.
Photo: Jamie Stoker.



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After the murder of George Floyd in May 2020 and subsequent formation of the Crafts Council's Global Majority Advisory Group, curator Dr Christine Checinska was asked to provide additional curatorial input by adding the untold stories of makers of colour. Her selection of works by contemporary makers played tribute to the founding ethos of the Collection – to document innovative practices by emerging makers. Her additions helped animate conversations about the value of collections, what history is documented, what stories are told, who they are for, and who decides what is in them.



**Maker's Eye: Stories of Craft knits
together the full gamut of production.**

**Like the lining of a fine suit, the space
is comfortable, carefully tailored and
slightly surprising.”**

– The Financial Times on the new Crafts Council Gallery

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We Gather, 17 November 2021– 12 March 2022, at the Crafts Council Gallery featured five female artists of Black and Asian heritage and came out of Craft Expertise, the AHRC-funded UKRI/RCUK Innovation Fellowship led by Dr Karen Patel of Birmingham City University, in collaboration with Crafts Council. The exhibition was curated by Rosie Ross & Griffi, whose playful, bold and curious approach animated the space with rich narratives from artists Shaheen Ahmed, Lorna Hamilton-Brown, Omeima Mudawi-Rowlings, Francisca Onumah and Onome Otite. The title We Gather referred to the gathering of ideas, skills and emotions embedded within these five craft practices. It was also a symbol of gratitude towards the communities who gathered their courage, bodies, and voices in support of justice for Black Lives.

Right

Work by Francisca Onumah (foreground) and Omeima Mudawi-Rowlings (background), part of the We Gather exhibition. Photo: Ben Deakin.



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We Gather saw a shift in our audience demographic with 31% visitors under 29 years old, 74% first-time visitors and 12.5% deaf or disabled. We had a 20% increase in Black visitors and 11% increase in visitors of Asian heritage. 59% visitors reported increased understanding of issues regarding equality and diversity in craft and 77% strongly agreed it introduced them to new perspectives and voices in craft.

An extensive programme of talks, tours and workshops accompanied the exhibition run, with both the curators and the artists playing a key role in the design and production of these events. In addition, our Young Craft Citizens staged a takeover event at the gallery and three workshops were offered to local families with a particular focus on working with children and families.



This exhibition has offered us a unique opportunity to curate in honour of women who share similar experiences and frames of reference to our own, but also within a mainstream cultural organisation that we haven't traditionally seen ourselves reflected in. ”

– Curators of We Gather, Rosie Ross & Griffi

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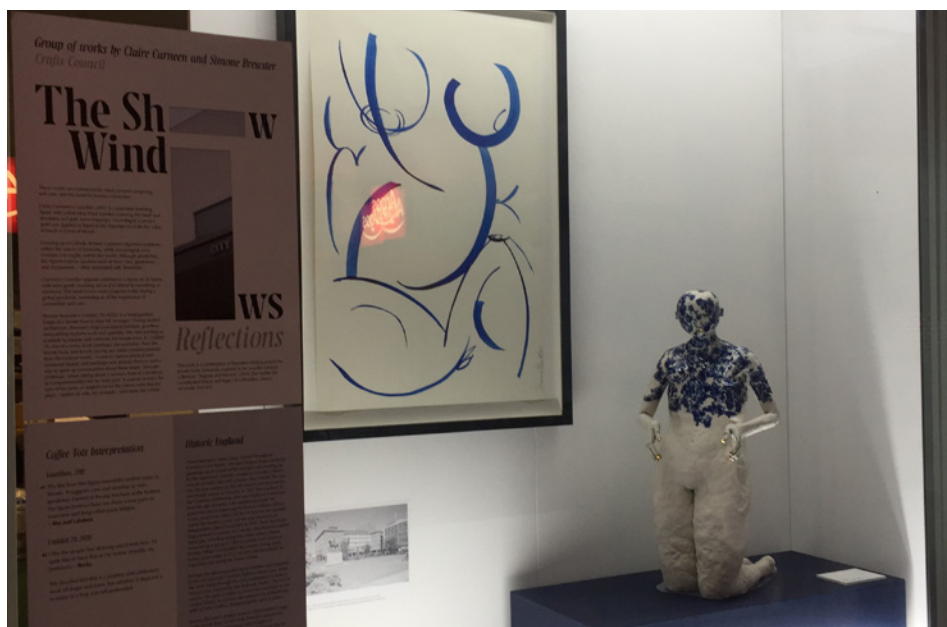
The Show Windows: Reflections, 1 March – 1 April 2022, saw parents select works from the Crafts Council Collections to be displayed in shop windows in a Coventry city centre arcade. Quiet Down There, a Coventry-based charity worked with women from the Coffee Tots, a community café, to explore the theme ‘amazing women’ by looking at a range of works from the Crafts Council Collections and asking questions about what it means to be a woman in society today. This inspired conversations about womanhood, the female body, cultural identity, race, class, faith and how all these feed into how women are seen by others and most importantly how they see themselves. The project was co-produced by Historic England, Quiet Down There and Coventry BID for Coventry UK City of Culture, 2021.

“We have been loving seeing the various works in the windows – the rainbows across from us have particularly attracted a lot of attention.”

– Coffee Tots participant

Right

The Show Windows with work by Simone Brewster and Claire Curneen.
Photo: Hannah Ford.



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On Tenterhooks, 21 June – 1 October 2021, was a presentation of works by textile artist Anna Ray at two Brookfield Properties sites in the City of London. Ray was the recipient of the Brookfield Properties Crafts Council Collection Award 2021. Inspired by Ray's own Huguenot ancestors who settled in Spitalfields as textile makers in the 18th century, the exhibition explored the past and present of textile making. As well as including a solo exhibition, the Brookfield Properties Crafts Council Collection Award (given at Collect each year) meant two pieces by Ray – Capture and Weave – were acquired into the Crafts Council Collections.

“In a difficult year, it was fuel for the fire. It's been an incredible boost – the end of one chapter and the beginning of another.”

– Anna Ray

Right

Weave by Anna Ray,
Crafts Council Collections, 2021.6.
Photo courtesy of House
on Mars Gallery.



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Over 200 works from the Crafts Council Collections were loaned over the year including Magdalene Odundo DBE's Asymmetrical Reduced Black Piece which was loaned to Maximillian William Gallery. Their Embodying Anew show attracted 600 visitors during its run and was received with critical acclaim.

New pieces were acquired for the primary collection from Danny Flynn and Eri Funazaki*, Sarah Flynn*, Max Frommeld*, Rozanne Hawksley*, Kate Haywood*, Mark Laban*, Liaqat Rasul, Anna Ray, Freddie Robins*, Will Shannon*, Castro Smith* and Julian Stair*.

*All acquired with the support of Art Fund

Right

Golden Heart ring by
Castro Smith, Crafts Council
Collections, 2019.11. Acquired
with support from the Art Fund.
Photo: Stokes Photo Ltd.



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1.2 Crafts magazine

Crafts magazine published six issues over the year. With its leading position in the craft world, a strong editorial reputation, a loyal readership and extensive reach and influence, the magazine has made a conscious effort to become more global in its scope and to reflect the demographic and cultural shifts in the UK and the wider world. A 2021 reader survey showed that 90% of respondents rated the magazine as good or very good and 73% said they were likely, or very likely to recommend it to a friend. Contributors over the six issues included Maria Amidu, Jay Blades, Namita Gupta Wiggers, Omeima Mudawi-Rowlings, Magdalene Odundo DBE, Dr Karen Patel, and Seetal Solanki.

A survey in 2021 revealed that 67% of readers were interested in watching talks online. The magazine hosted seven talks (in-person, online and hybrid) over the year. These were attended by over 700 people and ranged from Under the skin: How artists are opening the secrets of minds and bodies, to Healing Hands: Could makers help regenerate the earth?

1.3 Digital Content

We continued to publish inspiring digital content on our website, run several highly engaged social media accounts (primarily across Instagram, Twitter, Facebook, LinkedIn and YouTube) and manage and grow several e-newsletter subscriber lists.

Total users.....	478,673
Total sessions.....	662,827
Total social followers.....	493,765
Total e-comms subscribers.....	38,339

We conducted a benchmarking exercise in August 2021 to find out more about our digital audiences so we can attract younger and more diverse audiences in the future.

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1.4 Make! Craft! Live!

October 2021 saw the start of a national, year-long programme of 50 collaborative events showcasing makers with protected characteristics, championing equality and social justice, highlighting cutting-edge practice, prioritising collaborative and collective ways of working, exploring the positive impact of craft on wellbeing and demonstrating its role in protecting and restoring the environment.

To date events have included: a LGBTQIA+-friendly event at Blackpool Central Library hosted by Auntie Social CIC, Creative Share at Manchester Craft & Design Centre, a showcase of ceramic works made during an artist residency programme at Pure Art Studio, a registered charity that supports people with a learning disability or autism, Flock Together, an embroidery workshop to collectively work on The Red Dress which has travelled to 136 countries, and been embroidered by 259 women and five men – including refugees from Palestine, victims of war in Kosovo, Rwanda and DR Congo, as well as women in South Africa, Mexico, Egypt, the USA, Russia, the UK and elsewhere, and Body Vessel Clay at Two Temple Place in London, celebrating clay, one of the world's oldest artforms by looking at work by seminal potter Ladi Kwali in 1950s Nigeria and experimental new work by women of colour working today.

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1,454

Maker’s Eye visitors

We Gather visitors

1,376

40,125

The Show Windows Footfall

Crafts magazine subscribers

3,122

703

Crafts magazine talk attendees

Website users

478,673

493,765

Social followers

E-newsletter subscribers

38,339



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Growing the Market for Craft

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A pivot to digital delivery of talks, seminars and advice sessions during the pandemic has seen a significant number of makers benefit from our services, alongside more bespoke and tailored programmes. The desire from makers to learn, evolve and progress their business and their practice has been a testament to their resilience.

2.1 Spring-back Talks

The Covid pandemic dramatically changed the landscape for small businesses. The Spring-back talk series was online, free, held at lunchtime and covered essential marketing advice for makers to help them 'spring back' from a difficult year and grasp the new opportunities available to them. Each talk covered a different topic, from making the most of Instagram, to effectively engaging with the media and honing writing skills. The talks were delivered by the Crafts Council's business skills team and invited industry experts. There was opportunity for interacting with the experts and questions were gathered and answered in the form of a follow-up written resource. All talks were also recorded and published as a playlist on YouTube. Over 5,675 people attended or subsequently watched the recorded talks.

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2.2 Crafting Europe Programmes

We led a work package around business skills development for emerging craft businesses, in partnership with Crafting Europe. Crafting Business saw 26 businesses complete eight modules from May to September 2021. We produced an adaptable programme with supporting resources and provided a thorough induction for partners, a series of professional seminars broadcast digitally and a Trade Voucher scheme for craft businesses.

In partnership with STEAMhouse Birmingham we recruited 20 participants to take part in iAtelier, a Creative Europe funded programme that aims to bring digital and craft makers together to share skills and knowledge and collaborate to develop new products and projects. Five collaborative projects were selected involving ten of the participants.

FUSION (Fashion Up-Skilling Innovation Open Network) is an international partnership project, funded by Creative Europe. It provided designers/makers training in digital fabrication skills and co-designing methodologies towards the development of bespoke products, across fashion, textiles and wearables for active ageing citizens. Two designer/makers from the UK were selected.

Below, left to right

Crafting business 2021 reflection
event at the Crafts Council.

iAtelier event.

FUSION participants, Turin 2022.



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2.3 Support and Opportunities for Makers

- ➔ 76 individual business advice and/or continued professional development sessions were delivered by the business skills team.
- ➔ Crafts Council activity generated six new maker commissions: from Shaheen Ahmed, Lorna Hamilton-Brown, Omeima Mudawi-Rowlings, Francisca Onumah and Onome Otite (all featured in Crafts Council's We Gather exhibition), and Sam Brown who created a new family learning station for the Crafts Council Gallery, developed in collaboration with local families.
- ➔ In April 2021 with funding from the Department for International Trade (DIT) we launched a Brexit resource, aiming to help the sector navigate the complexities of EU-UK trade.
- ➔ Our Directory membership grew to 844 by the end of the year.
- ➔ We brokered partnerships exclusively for Directory members including with the National Trust's Red House who commissioned Angus Ross to create new furniture for their garden.

Right

Crafts Council Directory
maker Abigail Brown.



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2.4 Collect 2022

After a digital-only version in 2021, 2022 saw us back at Somerset House for the 18th edition of Collect: the leading international fair for contemporary craft and design. Collect showcases the very best specialist galleries from across the globe and raises the profile of exceptional, new contemporary craft. Over 80% of works were made in the past five years by living artists and much work was made specifically for the fair. At Collect 2022 40 galleries represented over 440 artists from 33 different nations with 13 artists and collectives featured in Collect Open. For 2022, creating the blend of a live and online event was key to broadening the reach of the fair. Somerset House welcomed 9,100 visitors with a further 7,060 joining the fair via Artsy.net and our live streamed talks programme, resulting in a total hybrid audience of 16,160. Our audience survey revealed that 90% of visitors gave Collect 2022 a positive rating and 85% said they were likely to visit again.



For the uninitiated, it's not your typical craft fair. It's THE fair for beautiful things made by some of the most exciting artists around, from the emerging to the iconic."

– Evening Standard



Amazing to be able to view such an incredible variety of works in one visit."

– Collect 2022 visitor



We love the setting of Somerset House, people coming into our space are open and receptive to seeing something new."

– Intoart, Collect 2022 exhibitor

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2.5 Craft UK

Craft UK is a network for organisations from across the craft sector, facilitated by the Crafts Council and free to join. The network is a UK-wide community that promotes opportunities, encourages partnerships, and provides regular insight on the craft sector and market to its members. Membership grew 10% over the year and welcomed new members Makers Guild Wales, The National Festival of Making, National Glass Centre, The Hub Sleaford, the Royal School of Needlework and the Society of Designer Craftsmen. Eight events over the year included three general meetings and two meetings of the newly-formed education specialist group. Work progressed on the Toolkit for Change – a new set of resources and guidance organisations to make a step-change towards intersectional equity within the craft sector.

2.6 Research and Insight

Making Changes in Craft is part of the Craft Expertise project, an Arts and Humanities Research Council (AHRC) funded UKRI/RCUK (UK Research and Innovation) Innovation Fellowship led by Dr Karen Patel of Birmingham City University, in collaboration with Crafts Council. The research in this report is the first to highlight the lived experiences of women makers of colour in contemporary craft. Women makers from ethnically diverse backgrounds were the primary research participants here because of the stark gender, ethnic and socioeconomic inequalities in the UK craft sector, as highlighted in industry data. Making Changes in Craft reveals challenges to women of colour that include racism and microaggressions in craft spaces and on social media, and the issues with gaining recognition as expert makers.

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The Market for Craft data tool is an open-access dashboard providing data from 5,300 respondents on their habits and behaviours regarding buying craft. The Market for Craft report (Crafts Council and partners, 2020) was the most extensive research into the market in over a decade, and in 2021 all the data gathered from those surveyed was made available for free via an online database. Users can gain detailed insight into customer's demographics, behaviours, motivations, and barriers to help inform their business strategies.

The Covid pandemic saw millions of people turn to making things with their hands as a source of comfort. Live experiences and connecting with others have become even more significant. The Power of Experiences resources included a guide, a film of six case studies and a practical checklist. It was developed for makers and craft businesses who want to add an additional income stream to their business by offering by craft experiences.

Right

Turning Earth Haringay, one of the case studies in *The Power of Experiences*.



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Other research and insight activity

- ➔ Eleven policy briefs were produced within the year.
- ➔ Three consultations including submitting to the Department for Digital, Culture, Media & Sport (DCMS) call for evidence on cultural placemaking and the levelling-up agenda in February 2022.
- ➔ Continued work with Higher Education to support innovation and new skills. Partnerships including Kingston University with Nicola Dillon on cultural diversity in UK craft, with University College London (UCL) MARCH Mental Health Network, with University of Northumbria in crafting a healthier internet of things, and with University of the Arts (UAL) and Veronika Kapsali on a framework for biometric textile design.

5,675 Spring-back talk attendees

26 Crafting Business makers

20 iAtelier makers

8 FUSION makers

76 1-2-1 sessions delivered

6 Maker commissions

853 Directory members

9,000 Collect 2022 visitors

103 Craft UK members

8 Craft UK events

101 Making Changes in Craft
report launch attendees

50 Market for Craft data tool
launch attendees

62 The Power of Experiences
launch event attendees

15,510 Maker newsletter subscribers

5,100 Craft Opportunities
Facebook subscribers

7,785 Policy Brief subscribers

Family learning station created by
Sam Brown and co-designed with local
children for the Crafts Council Gallery.
Funded by The Richard Seager Arts,
Craft and Design Award.



03.

Increasing Levels of Craft Education

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There is clear evidence that craft was a source of comfort and a way to connect during the Covid pandemic. Ensuring everyone has access to craft and the opportunity to make with their hands is one of our priorities. This year we focused this activity on children and young people aged 16–30 years old.

3.1 Craft School: Yinka's Challenge

In July 2021 the Crafts Council launched the pilot year of Craft School: Yinka's Challenge in collaboration with artist, designer, craft maker and Trustee Yinka Ilori. Craft School is an exciting step-change in our learning work, providing a platform through which schools nationwide can access our support in delivering high-quality, open-ended making activity in the classroom. The programme launched with a creative brief set by Ilori and saw 736 learners taking part. Supported by a programme of online continued professional development (CPD) and a set of resources, teachers work alongside learners to develop their own creative response to the brief, exploring a range of materials and craft disciplines.



I used the teacher's toolkit and student workbooks which were extremely helpful for our Key Stage 2 Art Club children. I used online videos and discussions to ignite the challenge. Everybody was very excited and keen to participate."

– Alison Gallagher, Brooklands Farm Primary School

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3.2 Other Craft Education Activity

- ➔ We hosted a maker-facilitator breakfast in March 2022 which 20 educators attended. We heard about the challenges and opportunities facing those who work directly with communities around the country. All these conversations will inform future activity, including exploration of developing a new national network of local craft ambassadors.
- ➔ A growing community of practice of over 1,100 educators from the UK and beyond via our dedicated Facebook Group. Plus, a smaller focus group of 15 teachers who meet to inform and shape our education offer.
- ➔ Two roundtables were convened focusing on Further Education and Higher Education, drawing representatives from across the country.
- ➔ Our Education Manager joined National Society for Education in Art and Design (NSEAD)'s anti-racism educational group to assist in the production of school assets and checklists which support teachers of art, design and craft to move towards a more diverse and representative curriculum.
- ➔ We were engaged in the development of the Heritage Craft Apprenticeship.
- ➔ We were part of a steering group shaping proposal for Craft Academy – a new approach to craft apprenticeships in partnership with CC Skills, Heritage Crafts Association, Building Crafts College and National Trust.
- ➔ Our Young People's Producer and Learning and Skills Co-ordinator both trained as Gold Arts Award Advisors.

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3.3 Young People

The Crafts Council's young people's programme – Young Craft Citizens (YCC) – works collaboratively with young people aged 16–30 years old to deliver a monthly meeting, one youth-led event per year and three paid 12-week work placements. In addition to these activities, we connect young people in our network – sharing information with them about work opportunities, residencies, and relevant training. We have an active mailing list of 277 YCC members, who are registered with us and regularly attend events. 160 young people have engaged with events this year. The programme prioritises young people who face barriers to entry into the creative industries because of racism, classism and other forms of discrimination.

In addition to the YCC programme, Reframe, Rethink, Reclaim was a programme of activity for young people that ran in 2021. Supported by funding from Islington Giving, the programme of creative workshops with professional designer-makers, and youth-led activity supported young people from Islington to develop their confidence and creativity. It also addressed social issues using crafting as a vehicle to address their chosen subject matters.

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3.4 Crafts Council Participation Activity

Our commitment to participation builds on previous community projects delivered over the last decade including Craft Club, Hey Clay! and Make:Shift:Do. These initiatives produced deep understanding of the needs of local craft facilitators and their role of encouraging everyday making and providing activities tackling issues such as mental health, well-being, and loneliness for local communities. Our approach is based on the principles of collaboration and co-creation – sharing our learning through case studies, toolkits and seminars. From the gallery opening in July 2021, we started a participation programme that quickly grew a loyal family audience with 223 attendees to events over the year.

Activity included

- ➔ Hey Craft! 14 – 16 May 2021. We led a nationwide weekend of craft participation events as part of Get Creative Festival. Over the weekend 34 partners delivered 63 online events to an audience of 1,827, 96% of whom had not previously attended a workshop led by that partner.
- ➔ The online Summer Craft Challenge – six activities designed by Emily Otchie, Ayo Ogundayo, Sam Hutchinson, Community Kite Project, Tanvi Kant and Theo Tan as part of the Get Creative campaign.
- ➔ A series of family workshops at the Crafts Council Gallery to mark the launch of Make! Craft! Live! in October 2021, led by artist Ray G Brown, illustrator Niallycat, 3D-designer Sam Brown and La Basketry and Black Girl Knit Club.

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- ➔ A series of making workshops at the Crafts Council Gallery to respond to the themes and artists in We Gather in March 2022. This included a zine making workshop with Sadsthil, collaging with upcycled textiles with Onome Otite, sculpture-building with Favour Jonathan and jewellery-making with Eve Lam.
- ➔ The commissioning of a playful and interactive learning station. Designed by 3D-designer Sam Brown from Studio Nice One who co-created the Craftmobile with local families in early 2022. Young people with their parents and carers helped to develop the design, choose the colours, and select a name. The Craftmobile is funded by The Richard Seager Arts, Craft and Design Award.



My son and I attended the knitting and weaving workshop at the Crafts Council during half-term. He has complex additional needs and wasn't interested in this topic at all. However, he really engaged in the whole session with the friendly, soft coaching from the staff, he felt motivated to offer his feedback and even told them he wants to attend all the kids' workshop in the near future."

– Attendee of October Workshop

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223

Participation workshop attendees

Craft educator CPD event attendees

157

16

Online teacher meet ups

Craft School: Yinka's Challenge learners

736

1,189

Craft educators Facebook followers

12,672 views of posts

FE and HE roundtables

2

160

Young Craft Citizens event attendees

**Make! Craft! Live! workshop
participant lino printing with
illustrator NiallyCat.**



04.

Diversity and Inclusion

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Diversity of all kinds enriches creative practice, and we recognise the moral, economic and social reasons to make diversity, inclusion, and equality central to our work. Our ambition is to achieve greater equality across our work with a focus on race, disability, and socio-economic background through testing new ways of working, building partnerships with new groups and individuals, and improved recruitment and training of our staff. Consultant, Lily Eindhorn, undertook internal and external conversations to inform our strategy for social justice. Identifying three themes: Visibility and Representation, Local Regional Structures, and Collaboration and Co-creation. These are now being embedded across all our activity and programmes.

4.1 Global Majority Advisory Group

This group supports the Crafts Council on its diversity and social justice aims and inform our wider programming. They met eight times this year and appointed Rose Sinclair as Chair of the group and contributed to the appointment of a relationship manager, a part-time post employed by the Crafts Council. Members of the Global Majority Advisory Group contributed to a bid to the Centre for Cultural Value's Collaborate fund: advised on education posts and resources: consulted on the development of the Crafts Council's Toolkit for Change: advised on Black History Month activity for the Crafts Council: and started to develop a terms of reference for the group.

4.2 Making Changes in Craft Report

See 2.6 Research and Insight, p.24

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4.3 Toolkit for Change

A small working group has been developing a set of resources to support craft organisations to become more inclusive. These resources will be rolled out to the Craft UK network in 2023.

4.4 New Voices

- ➔ Liaqat Rasul was selected as the TOAST maker-in-residence in October 2021.
- ➔ We Gather at the Crafts Council Gallery was the first time the Crafts Council had presented an exhibition exclusively featuring Black and Asian female artists.
- ➔ We Gather artist Lorna Hamilton-Brown delivered a talk – Knit'n'Tings – in January 2022.

Below Left

Liaqat Rasul.

Below Right

We Gather artists left to right:
Onome Otite, Francisca Onumah,
Lorna Hamilton Brown, Shaheen
Ahmed, Omeima Mudawi-Rowlings,
Rosie Ross, Dr Karen Patel, Griffi.
Photo: Jess Pierre-Ross.



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- ➔ The Instagram takeovers continued to showcase makers from under-represented and mis-represented communities and this year included the following makers:
 - Darren Appiagyei in September 2021
Total impressions: 67,521
 - Jo Sealy of The Black Artisans in October 2021
Total impressions: 51,937
 - Meron Wolde in November 2021
Total impressions: 41,258
 - Bisila Noha in January 2022
Total impressions: 72,349
- ➔ The Brookfield Properties Craft Award 2022 (awarded at Collect) was given to Christian Ovonlen, an artist represented by Intoart whose vision is that people with learning disabilities be visible, equal and established artists.



Being surrounded by women who look like me and participating in a session of craft together, really lifted my spirits and by the end of the session my mood had lifted. It really was a wonderful and meaningful experience.”

– Participant of Knit and Weave workshop with Black Girl Knit Club and La Basketry, October 2021

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**Above**

Bisila Noha post from her Instagram takeover. Photo courtesy of @aucoot.

Right

The Brookfield Properties Craft Award 2022 winner Christian Ovonen receiving his award at Collect 2022. Photo: Iona Wolff.

**4.5 The Team**

The Board of Trustees reflects our community and priority audiences with representation of everyday making, participation and social justice. 25% of our board identify as Global Majority, 14% have lived experience of disability and 33% identify as neurodivergent. Staff representation has increased to 25% global majority.

**Handcarved scoops by
Directory maker Slow Made
Goods made from locally
sourced timber.**



05.

Environmental
Responsibility

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We are committed to monitoring and reducing our own environmental impact: helping makers and craft businesses reduce their environmental impact and supporting those who want to do more, championing and celebrating the good practice that already exists, and promoting the role craft practices can have on society's ability to become more sustainable.

In 2021–22, the Crafts Council office footprint decreased by 4 tonnes, however, there has been an overall increase from 17 to 57 tonnes CO₂e due to the opening of the Crafts Council Gallery. Each year we review and update our Environmental Policy and Action Plan as we seek to reduce our carbon footprint further.

In this year we set out an environmental plan for 2022/2023 with aim to:

- ➔ Maintain and sustain our own reduced environmental impact at 57 tonnes CO₂e.
- ➔ Create a baseline and targets for the carbon footprint of key assets and activity.
- ➔ Embed understanding of carbon literacy and embed environmental responsibility across staff and Trustees through training and monitoring.
- ➔ Create resources for craft businesses and act as a convenor to support the many small and micro-businesses only able to make a small impact through a collective effort.
- ➔ Increase activity that champions the role of craft in environmental responsibility.

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Crafts Council
Resilience

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We began the year in the grip of the pandemic, with restrictions in place on indoor and outdoor gatherings. Some furlough arrangements continued for the first few months, but by May 2021 we were fully back to work, although mainly working from home.

As restrictions lifted in July 2021, we were able to finally open our gallery and offices, with appropriate measures in place, and restart our full programme.

The effects of the pandemic continued to affect our finances, particularly advertising income for *Crafts* magazine. The Collect fair was planned and scheduled to run in February 2022 at Somerset House. However, just as we were due to confirm significant payments to Somerset House the Omicron variant surged, putting the fair in jeopardy. UK restrictions were fully lifted just before it opened, however continued overseas restrictions meant several international galleries were unable to travel. This had an impact on fair income.

An ongoing impact from Covid is that the office space we would usually sublet has remained vacant for two and a half years. Demand for office space remains depressed and continues to represent a significant loss of income for us.

Once again, our financial stability was underpinned by the generosity of our funders and supporters especially those providing recovery funding. We carried forward designated funds from the prior year to support our programme, some of which were then carried into 2021/22. We ended the year in a strong position on both reserves and cash.

**Loop Loop by Elizabeth Ashdown,
Experimental Weave Lab, Make!
Craft! Live! event**



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Future Impact

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Our future priorities reflect our commitment to a more representative craft community, and one that welcomes new audiences with open arms. Creating opportunities to showcase makers ‘in real life’ has also played a role in our planning for the year ahead, and has accelerated our thinking on how we can support makers to shape their action on environmental responsibility.

Engaging new audiences next year

- ➔ Gaining Ground, Craft School, Cotton: labour, land and body, and Faith Shannon with Designer Bookbinders will be the exhibitions in the Crafts Council Gallery in 2022/2023.
- ➔ Christian Ovonen solo showcases at two Brookfield Properties in the City of London.
- ➔ Develop a new Collection strategy that makes most effective use of this asset and ensures it is a vital and diverse representation of contemporary craft.
- ➔ Continue to work with partner venues on Make! Craft! Live! events across the UK.

Growing the market for craft

- ➔ Showcase of directory members at Liberty London.
- ➔ Collect 2023 at Somerset House.
- ➔ New business skill resources, business booster sessions and expansion of the Directory.

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Increasing levels of craft education at all levels

- Craft School exhibition.
- Expand work of Young Craft Citizens (YCC) to evolve it into a UK-wide network.
- Recruit for a YCC advisory board.
- Let's Craft appeal 2023.
- Launch of Craftmobile (family learning station) and monthly Craft Club in the gallery.
- Launch the Make First craft education pedagogy.

Diversity and inclusion

- Further widening of access to the Directory.
- Publication of the Toolkit for Change.
- Celebration of Pride month in June 2022 and Black History Month in October 2022.
- Disrupting the craft canon – the cultural value of craft with Glasgow Caledonian University London, supported by the Centre for Cultural Value's Collaborate fund.

**Workshop participants
creating cardboard ceramics
with Ray G Brown.**



08.

Thank
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**Thank you to all our partners, funders and sponsors
without who our work would not be possible.**

Access All Arts

ACEArts, Somerton

Almaborealis

APDIG

Art Fund

Aspex Gallery, Portsmouth

The Balvenie

Birmingham City University

Blackpool Central Library

Bluecoat Display Centre and Walker
Art Gallery, Liverpool

The Box, Plymouth

The Britford Bridge Trust

British Ceramics Biennial,
Stoke-on-Trent

Brigid Rentoul

Brookfield Properties

Bureau Centre for the
Arts, BlackburnCentre for Fine Print Research
(CFPR)

Comino Foundation

Coventry BID for Coventry UK City
of Culture 2021

Cox London

Crafts Study Centre, Farnham

Crafting Europe

Creative Europe

Department for International Trade

Design-Nation

Devon Guild of Crafts

FarGo Village, Coventry

Ferrous Festival, Hereford

Get Creative

Historic England

Islington Council

Islington Giving

Jerwood Space, London

Kingston University

Limerick Institute of Technology

LOEWE FOUNDATION

LOEWE

Made & Design Exchange

Magpie Project

Manchester Craft and Design
Centre

Max Rollitt

mima, Middlesbrough

National Trust

Northumbria University

NSEAD (National Society for
Education in Art and Design)

Plymouth College of Art

Quiet Down There

Richard Seager Foundation

Reading Agency

Royal College of Art (RCA)

STEAMhouse Birmingham

Tatty Devine

Techne

TM Lighting

TOAST

Two Temple Place, London

UAL (University of the Arts London)

UCL (University College London)

World Crafts Council

Yinka Ilori

**Our gratitude extends
to the many individuals
who support us through
donations at all levels
and to those who wish
to remain anonymous.**

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Governance and Financial Performance

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9.1 Legal and Administrative Information

Charity Registration Number: 280956

Principal Office: 44a Pentonville Road, London, N1 9BY

Members of the Council ('Trustees')

Name	Role and Committees	Changes
Andrew Marshall	Co-Chair of Trustees (appointed October 2022) Finance and Business Committee Remuneration Committee Audit Committee	
Helen Hyde	Co-Chair of Trustees (appointed October 2022) Chair of Audit Committee	
Yinka Ilori		
Majeda Clarke		
Ed Mathews-Gentle		
Lady Kitt		
Professor Geoffrey Crossick		Rejoined Oct 2022
Andrew Morlet	Chair of Trustees Finance & Business Committee Remuneration Committee Nominations Committee	Appointed July 2021 Resigned Oct 2022
Professor Bruce Brown	Chair of Finance & Business Committee Remuneration Committee	Resigned Jul 2022
Matt Durran	Audit Committee	Resigned Jul 2022
Michael Eden	Audit Committee	Resigned Jul 2021
Reyahn King	Nominations Committee	Resigned Jul 2021
Dr Zoe Laughlin	Finance & Business Committee Remuneration Committee Nominations Committee Diversity Champion	Resigned Jul 2022
Clare Twomey	Acquisition Panel	Resigned Jul 2022
Philip Matthews	Finance & Business Committee	Resigned Oct 2022

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Senior Management Team

Name	Role and Committees	Changes
Natalie Melton	Acting Executive Director Creative Director	From Jul 2022
Rosy Greenlees OBE	Executive Director	Retired Jul 2022
Nicky Dewar	Learning & Skills Director	
Adele Hill-King	Finance & Commercial Director	Appointed Jan 2022
Henry Wrigley	Finance & Commercial Director	Resigned Dec 2021
Andy McGlynn	Insight and Development Director	Resigned Feb 2022

Auditor

Haysmacintyre LLP
10 Queen St Place
London
EC4R 1BE

Bank

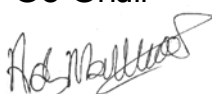
RBS
Liverpool Grp of Branches
(C) Branch
Hardman Boulevard
Manchester M3 3AQ

Solicitor

Bates Wells
10 Queen St Place
London EC4R 1BE

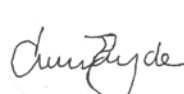
The members of the Crafts Council (being the Board of Trustees of the Crafts Council) are pleased to present their Report together with the Financial Statements for the year ended 31 March 2022. The Financial Statements comply with the Charities Act 2011, the Royal Charter of the Crafts Council, and the Statement of Recommended Practice 'Accounting and Reporting by Charities' which is applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015.

Andy Marshall
Co-Chair



Date: 8/12/2022

Helen Hyde
Co-Chair



Date: 8/12/2022

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9.2 Structure, Governance and Management

Constitution, composition of the Council and Trustee induction.

Crafts Council is incorporated by Royal Charter. It is registered as a Charity, number 280956, in England and Wales.

The Council consists of a Chair and not more than 14 Trustees. The Chair is appointed for a period of four years and may be reappointed for one further term. New Trustees are appointed by the Council and serve for four years. After this term they may put themselves forward for a further four years. No Trustee may serve for more than two consecutive terms of office.

The Council, comprising of all Trustees, is also described as the Board of Trustees. It meets at least quarterly to:

- Agree the strategy of the Crafts Council.
- Review performance.
- Advise upon areas of programme activity.
- Consider risk management and reserves policy.

The Crafts Council has four Committees:

- Audit Committee. Monitors the annual statutory audit and risk management. Finance and Business Committee. Reviews financial performance, business activities and risk.
- Remuneration Committee. Scrutinises staff compensation, pay and rewards.
- Nominations Committee. Supervises the skills and composition of the Board. Proposes new Trustee appointments.
- Finance and business committee – business activities and risk

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The induction process for a new Trustee includes meetings with the Chair, Executive Director and Senior Management Team. All new trustees are given an induction pack containing all key governance information.

Organisation and management

The day-to-day activities of the Crafts Council are delegated to the Executive Director who leads a Senior Management Team.

Pay policy for senior staff

All Trustees give of their time freely. No Trustee received any payment for work during the year. Senior Management Team pay is reviewed annually by Trustees on our Remuneration Committee. There is no salary scale for the Senior Management Team. Each member of the Senior Management Team is formally appraised twice yearly by the Executive Director. The Chair reviews the performance of the Executive Director.

A report on Directors' performance is submitted to the Remuneration Committee. Pay increases are determined by:

- Inflation
- Comparable pay scales for similar roles
- Individual performance
- Any significant changes of role.

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Principal risks and uncertainties

The Crafts Council maintains a Risk Register which is reviewed by Trustees quarterly. Additionally, the Finance and Business, and Audit Committees update the Risk Register every meeting. During the year we have maintained our financial position and progressed the last year of our four-year funding plan with Arts Council England (ACE). Due to the pandemic, ACE designated 22/23 an extension year and we agreed a business plan which secured our funding for 22/23.

In early 2020/21, our focus shifted to dealing with the ramifications of the Covid crisis internally and across the craft sector. The effects of Covid were still apparent in 2021/22, and this was a year of recovery.

During 2021/22 our main risks centred upon delivering this business plan and preparing the plans for our next funding bid, ensuring major projects and regular programmes were delivered on time and within budget; and creating the desired impact.

During 2022/2023 we applied for the next three year-round of NPO funding (for April 2023 to March 2026) and have been offered continued funding, although at a reduced level as ACE moves funds out of London. Our funding was £2.5m per annum, it will be £2.2m per annum from April 2023.

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Risks include:

- Income risks; particularly on commercial and fundraised income following Covid.
- Continued development of the Gallery programme, the Craft UK network, and new *Crafts* magazine membership offer.
- Implementing initiatives, such as our diversity and inclusion, environmental, and digital action plans. Embedding these across all our projects and programmes.
- Compliance with changing laws, particularly around data and fundraising.

Our key strategies to mitigate these include:

- Strong governance, process and Trustee oversight.
- Training and recruitment to ensure we have the required professional skills in our teams.
- Strong financial controls and process. Regular review and forecasting of potential outcomes.
- Specialist cross-organisational staff working groups for key areas, such as diversity or data.
- Continued progress on diversifying sources of income and increasing free reserves.
- Planning, project management, forecasting and other actions that allow operational flexibility.

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Fundraising Statement

All Crafts Council fundraising activities are compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice). As well as those required under charity law and wider law. The charity is a member of the Fundraising Regulator and is committed to conducting open, honest and respectful fundraising practices. We thank everyone who has supported our work.

We received no fundraising complaints in the period. Our fundraising from individuals is primarily focused around two areas of activity, our patron's scheme and smaller individual donations for our Let's Craft appeal. Regarding our patron's scheme, we only solicit donations following a careful process of stewardship, in which we establish the potential patron is happy to continue to be part of the patron's scheme. Let's Craft, an initiative to provide craft materials to children who do not have access to them, is a more traditional public appeal with a starting donation of £10. We utilise our social media channels, platforms and newsletters and we do not engage in any sort of face-to-face street-based fundraising or phone calling campaigns. Crafts Council follows a safeguarding policy to protect and identify any vulnerable individuals.

Reserves Policy

The Crafts Council operates a dynamic Reserves Policy. Our three key tests, in order of importance, are:

- Cashflow Visibility: ensuring future cash headroom and operational flexibility.
- Requirements for Reserves: based on analysis of potential risks and contingencies.
- Three Months Operating Expenses: building higher reserves for reinvestment in impact.

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Our aim during the initial years of our four-year business plan had been to reinvest surplus in building an organisation able to create greater impact long term. In the later years of the business plan, we have grown our reserves to mitigate lower longer term revenue visibility.

Note 17 to the Financial Statements provides more detail on specific reserves.

9.3 Financial Review 2021/22

Performance

As we began the year with Covid restrictions still in place this was a year of recovery. We had carried over designated reserves to fund programme spend delayed from 20/21, in the event we still weren't able to deliver some of what we planned, and this delivery is expected in 22/23.

We were able to raise funding to support our Business Skills and Exhibitions programme, and we increased our income from sponsorship.

- Over the past two years, we secured Arts Council England (ACE) Culture Recovery Funds amounting to £364k, of which £114k was paid out in 21/22.
- Raised income in the prior year was the highest ever, in response to the Covid crisis. This included £388k for Hardship grants, which did not repeat.
- Furlough income was £36k (£259k in 2021), covering the first few months of the financial year.
- *Crafts* magazine was back to a bi-monthly publication cycle, although advertising was down on pre-pandemic levels.

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- Collect returned to a physical fair. Due to continued restrictions, some of our international galleries were unable to attend. We were able to reduce costs to mitigate some of the income loss.
- Our Gallery fully opened in July with the Maker's Eye exhibition. The costs for this exhibition were mainly in the prior financial year, as the exhibition was installed and ready to go just as the first lockdown was announced in March 2020. Costs this year were for storage and reinstallation.

With continued careful management in an uncertain period, we ended the year with a smaller than expected deficit and high free reserves. These resources have been carried into the 2022/23 financial year to fund activity.

ACE NPO funding

This financial year was the last of the 2018 – 2022 ACE NPO funding programme, we received £2.5m annually in our NPO grant. Due to the pandemic, ACE designated 22/23 as an extension year, and we applied for and were successful in being granted NPO funding at the same level.

During 22/23 we applied for NPO funding for the next funding round which covers 3 years, 2023 – 2026. We applied for stand-still funding at £2.5m, although ACE had indicated they would be seeking to move funds out of London. In November 2022 we were offered funding for the full 3 years at a reduced level of £2.2m annually, a 13% reduction.

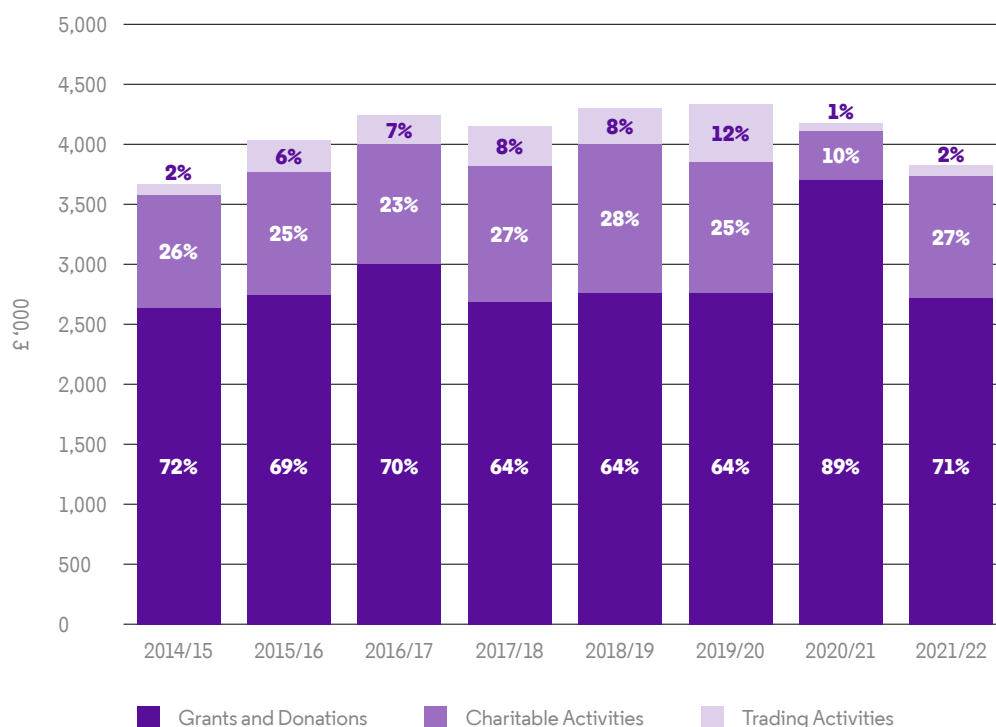
Revenue

The continued impact of the pandemic meant that income – principally from *Crafts* magazine, Collect and property sub-letting – was still challenging in 2021/22.

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Year on year Revenue 2014 – 2022



The upper floors of our Gallery, which measure 800 sq metres, had been sublet to a tenant who moved out in early 2019. The space has been marketed continually since then, but we have seen very little interest. We sublet this space on a long lease which runs to 2040. The space requires investment to bring it up to modern standards, and there is an excess of subprime space available across London.

The lease on the adjoining office block ends in June 2025 at which point we will move back into the main building. We are advised by our property agent that this building is more suitable for a short term, possibly fully furnished let, so from August 2022 we are offering it for sublet with a view to moving our offices back into part of the Gallery building.

This represents one of the key challenges we face going forward.

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Reserves

We continue to carefully manage our free reserves to balance maximising spend on activities and impact, against having surplus to manage risk. Our aim is to have sufficient free reserves to –

- Allow us operational flexibility.
- Give us the ability to invest in new projects and work.
- Manage risk and unexpected expenditure.

Crafts Council are fortunate to receive NPO funding from ACE on a monthly basis which covers our main operating costs, and we have been awarded this funding up to March 2026. However, we still need to manage short-term cash flow fluctuations, set aside funds to maintain our property and cover any unexpected expenditure. We consider a level of £400k of free reserves is sufficient to meet our requirements.

We have grown our free reserves annually from 2016/17 to 2020/21. We ended 2021/22 with almost the same level of reserves as the prior year.

This provides a strong foundation for us as we rebalance our organisation to the new NPO funding level. The reserves will also support the 2022/23 operating plan and activities carried over year end, and some long-term investment, particularly in looking at how our property is used.

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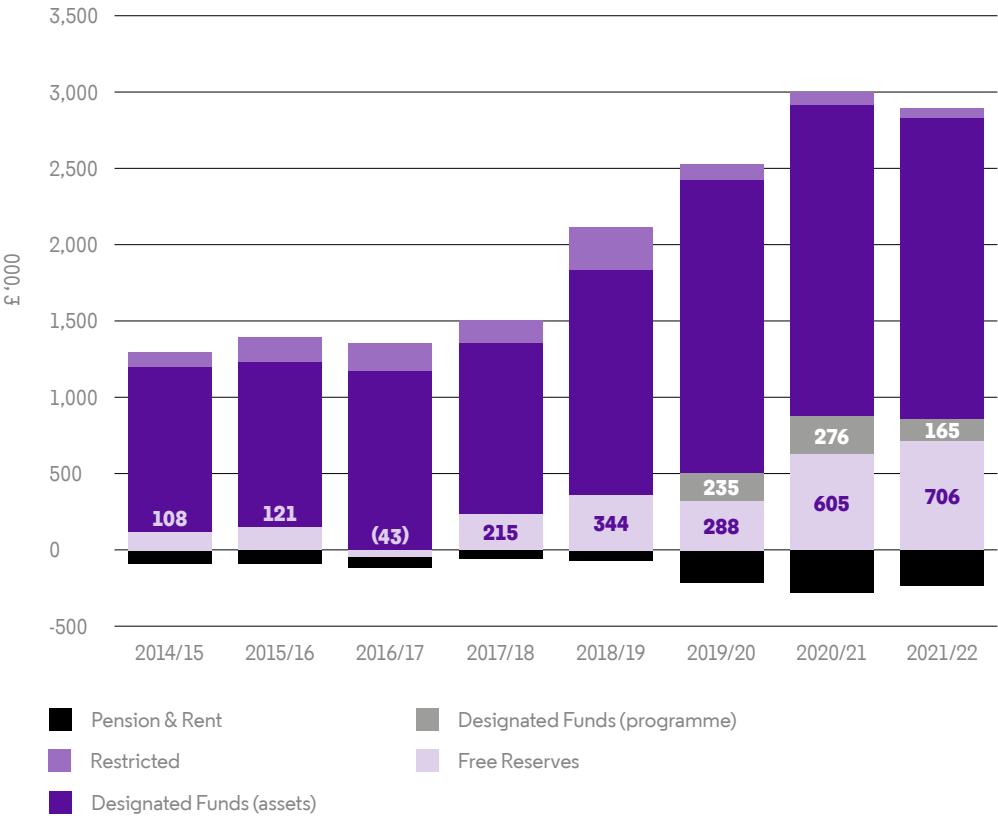
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Year End Reserves 2014 – 2022



The core of our designated reserves reflects the value of our Collection. It is recorded in our accounts at the historical cost of the artefacts. However, it has a commercial, cultural and intangible value far beyond this. Our Collection presents a snapshot of the best making in UK since 1972. It forms the only collection in the UK that documents contemporary craft across all disciplines.

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Closing Reserves as of March 2022

Restricted Reserves

48, 2%

Unrestricted Funds

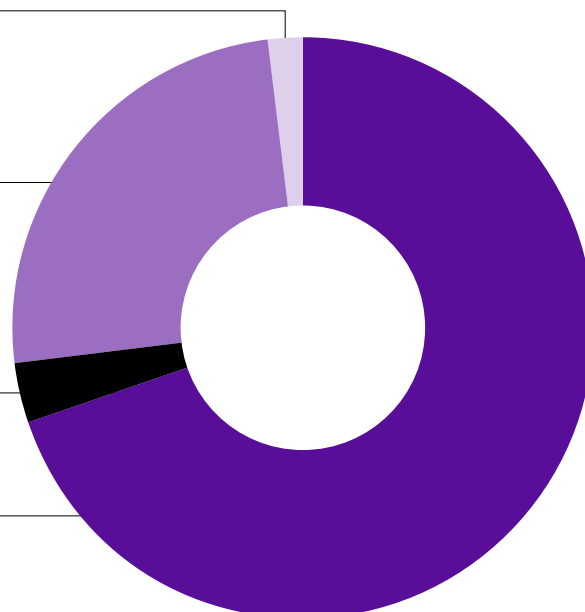
706, 25%

Other Designated Funds

(90), -3%

Designated Funds Related to Our Assets

1,956, 70%



21/22 Closing Reserves by Category

£'000s

Restricted Reserves	48
Designated Funds Related to Our Assets	1,956
Other Designated Funds	(90)
Unrestricted Funds	706
Total Reserves	2,622

Other designated funds are made up of programme funds carried forward to 22/23 due to Covid delays, £165k. These will be spent during 22/23. Offsetting this are designated reserves for the forward liability for pension deficit contributions, £57k which will be released over the next 7 years, and the rent-free period relief we negotiated as part of extending our lease agreement on our building, £207k which will reduce over the remaining life of the lease.

Time Rock Stack XVII
by Dawn Bendick.
Photo: Jake Curtis
Styling: Laura Fulmine.



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10.1 Trustees' Responsibilities in relation to the Financial Statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles of the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any departures
- Disclose and explain in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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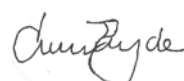
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The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved and authorised for issue by the Trustees and signed on their behalf by:Andy Marshall
Co-Chair

Date: 8/12/2022

Helen Hyde
Co-Chair

Date: 8/12/2022

**Crafts Council Gallery
foyer space, May 2021.
Courtesy of AOC.
Photo: David Grandorge.**



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10.2 Independent Auditors Report

Opinion

We have audited the financial statements of the Crafts Council for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as of 31 March 2022 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for Opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

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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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Impact Report (which includes the Trustees' Annual Report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

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stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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As explained more fully in the Trustees' responsibilities statement set out on p.61 and p.62, the Trustees 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 Trustee 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory framework applicable to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and other factors such as taxation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular any unusual journal entries.
- Challenging assumptions made by management in their critical accounting estimates.

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

Use of Our Report

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**A selection of ceramic tableware
by potter Florian Gadsby.
Photo courtesy the artist.**



10.3 Statement of Financial Activities

for the Year Ended 31 March 2022

				2022	2021
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Total Funds £'000
Income					
Grants and donations	2	2,596	119	2,715	3,232
Income from charitable activities	3				
Artistic Programme: UK		600	17	617	245
Artistic Programme: Overseas		-	-	-	-
Learning & Talent Development		33	81	114	452
Innovation Programme		-	-	-	1
Leadership, Research & Policy		8	-	8	18
Audience Development		309	-	309	182
Gallery		3	-	3	9
Total Income from charitable activities		953	98	1,051	907
Other trading activities					
Rental income	4	-	-	-	-
Investment Income		-	-	-	-
Sponsor Events		6	-	6	
Other Income	4	55	-	55	37
Total Income		3,610	217	3,827	4,176

			2022	2021
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Expenditure				
Raising funds				
Fundraising activities	5	333	-	333
Other trading activity: property surplus to requirements		219	-	219
Charitable activities				
Artistic Programme: UK		1,204	14	1,218
Artistic Programme: Overseas		6	-	6
Learning & Talent Development		512	73	585
Innovation Programme		36	9	45
Leadership, Research & Influencing Policy		187	47	234
Audience Development		935	-	935
Gallery		343	-	343
Total expenditure		3,775	143	3,919
Net Income		(167)	75	(92)
Transfers between funds		85	(85)	-
Net movement in funds		(82)	(10)	(92)
Total funds brought forward		2,654	59	2,713
Total funds at 31 March		2,573	49	2,622

The notes on pages p.75 – p.100 form an integral part of these financial statements.

10.4 Balance Sheet

for the Year Ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Fixed Assets			
Intangible assets	11	76	105
Heritage assets	12	990	990
Other tangible fixed assets	12	891	962
		1,957	2,057
Current Assets			
Debtors	13	393	386
Cash at bank and in hand		1,066	970
		1,459	1,356
Creditors: Amounts Falling Due Within One Year	14	(546)	(424)
Net Current Assets			932
Total Assets Less Current Liabilities		2,870	2,989
Creditors due after 1 year	15	(247)	(276)
Net Assets		2,622	2,713
Represented by:			
Unrestricted funds			
General Fund		706	604
Pension Reserve		(47)	(55)
Rent Reserve		(207)	(228)
Designated Funds		2,121	2,333
Total Unrestricted Funds		2,573	2,654
Restricted Funds		48	59
Total Funds	16	2,622	2,713

The notes on p.75 – p.100 form an integral part of these financial statements.

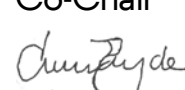
Approved and authorised for issue by the Council and signed on its behalf by:

Andy Marshall
Co-Chair



Date: 8/12/2022

Helen Hyde
Co-Chair



Date: 8/12/2022

10.5 Cashflow

for the Year Ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Cash used in operating activities	18	113	670
Cash flows from investing activities			
Investment income received		-	-
Payments to acquire intangible assets	11	(5)	(67)
Payments to acquire heritage assets	12		(26)
Payments to acquire other tangible fixed assets	12	(12)	(154)
Net cash used in investing activities			(247)
Change in cash and cash equivalents	18	96	423
Cash and cash equivalents brought forward		969	547
Cash and cash equivalents carried forward		1,065	970

The notes on pages p.75 – p.100 form an integral part of these financial statements.

10.6 Notes to the Accounts

1. Accounting Policies

1.1a Basis of preparation of the Financial Statements

These Financial Statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these Financial Statements. These Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015 and the Charities Act 2011. The Crafts Council constitutes a public benefit entity as defined by FRS102.

1.1b Preparation of the Financial Statements on a going concern basis

The Charity reported a cash inflow of £95k for the year. The Trustees are of the view that the Crafts Council's status as an Arts Council England National Portfolio Organisation for the funding period ending 2023 to 2026 confirms that the Crafts Council can continue as a going concern.

The Board of Trustees have given due consideration to the working capital and cash requirements of the Crafts Council. The Board consider the Crafts Council's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

1.1c Areas of material judgement and estimates

The accounting policies for material items are set out below. Those which are subject to material judgements and estimates are in the opinion of the trustees: determination of the useful lives of assets. The Trustees do not believe that there are any items which are likely to be susceptible to material adjustment in future periods.

1.2 Fund accounting

Restricted funds comprise donations which the donor has specified are to be used solely for particular areas of the charity's work or for specific projects being undertaken by the charity.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects, at the discretion of the Trustees. Unrestricted general funds represent those monies which are freely available to spend on activities which further any of the purposes of the charity.

The Pension reserve deficit represents the net present value of Crafts Council's total expected contribution towards the Arts Council Retirement Plan Scheme deficit. It is the equivalent to the balance sheet provision at the year end.

1.3 Income

General

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

Unless noted otherwise below, income is recognised as earned, that is as the related goods or services are provided. Earned income arising during the year relating to future events or provision of services is deferred until those activities have taken place.

Grants and Donations

Grants and donations are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Where grants are specifically restricted to future accounting periods, they are deferred and recognised in the relevant periods.

Other Income

Income due under the Exhibition Tax Credit scheme is recognised on a receivable basis in the period in which the related qualifying expenditure is incurred, and is categorised in the Statement of Financial Activities under Other Income

1.4 Donated Goods and Services

Donated goods and services, in as much as they are material and quantifiable, are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

1.5 Expenditure

1.5a General

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Costs of Raising Funds: Fundraising comprises the costs of the development (fundraising) team and associated support and governance costs

Other trading activity comprise the cost of subletting property which is surplus to operational requirements, and associated support and governance costs.

Expenditure on Charitable Activities includes costs of projects undertaken to further the purposes of the charity, and associated support and governance costs. Crafts Council divides its charitable activities into seven areas of work which are shown on the face of the Statement of Financial Activities. For clarity, and to improve the reader's understanding of the activities outlined in the trustees' report, some of these areas are broken down further in the Notes which follow.

Termination costs are accounted for when payable.

1.5b Allocation of support and governance costs

The cost of staff time that is not spent directly within the analysis headings on the Statement of Financial Activities (namely support and governance costs) is allocated in proportion to the directly attributable costs on those headings.

The average monthly full time equivalent head count is then calculated and used to allocate support general costs proportionally against direct activities, grant-making activities and governance general costs, within the Raising Funds and Charitable Activities analysis headings.

Lastly, governance general costs are analysed across the Raising Funds and Charitable Activities analysis headings, again in proportion to the average monthly full time equivalent head count.

1.5c Pension costs

The charity participates in a multi-employer defined benefit pension scheme and a defined contribution group personal pension plan. Both are accounted for as defined contribution schemes and full details are provided in Note 9.

Pension costs are allocated between funds in line with staff costs. For the defined benefit scheme, provision is made for the present value of the deficit contributions to be made.

1.6 Operating Leases

Payments under operating leases are charged on a straight-line basis over the lease term.

1.7 Foreign Currency

Foreign currency transactions relate to income from subscriptions for *Crafts* magazine and sales at some overseas craft events and expenditure incurred by activities carried out abroad. Such income and expenditure are translated into sterling at the exchange ruling at the date of the transaction. Monetary assets or liabilities existing at the year-end are translated at the rate ruling at the balance sheet date. All exchange rate differences are recognised through the Statement of Financial Activities.

1.8 Taxation

As a registered charity carrying out charitable activities, Crafts Council is generally exempt from corporation tax except in limited circumstances. Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred. It is initially categorised as a support cost and included within the analysis headers as for other support costs.

Tax recovered under gift aid relating to donated income is recognised when the related income is receivable and is included within Donations and Legacies income.

1.9 Intangible Assets and Amortisation

During the year, the Crafts Council changed its classification of Digital Assets from Tangible to Intangible Assets. The value of Intangible assets represents investments in our new Website and Brand design, launched In 20/21.

Intangible assets are recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. All Intangible assets are amortised over 5 years.

1.10 Tangible Fixed Assets and Depreciation

Heritage Assets

The Crafts Council Collection (“Collection”) of craft objects is held for charitable purposes and is stated at cost. All items which form part of the collection are capitalised as fixed assets in the year of acquisition, principally through purchases from third parties.

Donated collection items are recognised initially at their fair value to the extent that this can be estimated with reasonable reliability. Where there is a lack of comparable information or market values, donated items are not reported on the balance sheet.

No provision is made for depreciation, as the items in the Crafts Council Collection are deemed to have indeterminate lives and it is the Trustees’ policy to maintain the Collection in good condition so that the items’ residual values are at least equal to their carrying value on the Balance Sheet. All maintenance costs are recognised as expenditure in the financial year in which they are incurred. The carrying value is reviewed as part of an ongoing internal audit process and a provision in the Financial Statements is made, if necessary, for any impairment in value.

Other Fixed Assets

Fixtures, fittings and computer equipment costing £1,000 or more are capitalised and are initially stated at cost. Assets purchased as part of the same project may be treated in aggregate. They are depreciated over their estimated useful economic lives at the following rates:

- Leasehold improvements: over the remaining lease period
- IT equipment and software: over 3 years
- Other fixtures, fittings and equipment: over 5 years

With the exception of leasehold improvements, a full year's depreciation is charged on fixed assets acquired and brought into use during the year, and no depreciation is charged in the year of disposal.

1.11 Stocks

Bought stocks are stated at the lower of historical cost (which is not materially different from net current replacement cost) or net realisable value.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Creditors and Provisions

Creditors and provisions are recognised where the charity 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Financial Instruments

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

2. Income from Grants and Donations

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £'000	2021 Total funds £'000
Arts Council England	2,550	119	2,669	2,829
Government Coronavirus job retention grant	36	-	36	259
Individual giving: Patrons & Donations	10	1	11	7
Various trusts, redevelopment project	-	-	-	100
Various – funding for the Heritage Collection	-	-	-	27
Other funding	-	-	-	10
Total	2,596	120	2,716	3,232

Donations of cash from trustees in 2022 included above were £50 (2021: £165).

3. Income from Charitable Activities 2021

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	2021 Total Funds £'000
Artistic Programme UK:				
Exhibitions, Loans & Collection	66	17	83	72
Collect	534		534	172
Artistic Programme Overseas: Showcasing	-		-	-
Learning & Talent Development:			-	-
Learning programme	15	47	62	60
Talent development programme	19	34	53	393
Innovation:				1
Leadership, Research & Influencing Policy:	8		8	17
Audience Development:			-	-
<i>Crafts</i> magazine & other publishing	265	-	265	154
Other	45	-	45	29
Gallery	3		3	9
Total	955	98	1,053	907

4. Income from Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	2021 Total Funds £'000
Rental income and related charges on surplus property	-	-	-	-
Sponsor Events	6	-	6	-
Exhibition related merchandising	-	-	-	-
Museum & Gallery Exhibitions Tax Relief	55	-	55	37

Our previous tenant gave notice in line with the break clause in the lease agreement, which was effective from May 2020. Although the property is being marketed for sublet, have not had a tenant since then.

5a. Allocation of Expenditure 2022

	Direct Activities £'000	Direct Staff £'000	Grant- making activities incl staff time (i)	Support Costs £'000	Support Staff £'000	Governance costs (6b) £'000	Governance staff £'000	2022 Total £'000	2021 Total £'000
<u>Expenditure on raising funds</u>									
Fundraising activities	119	153	-	31	21	2	6	332	303
Other trading activities	185	12	-	2	15	0	4	218	214
<u>Charitable Activities</u>									
Artistic Programme UK:									
Exhibitions, Loans & Collection	181	203	-	75	30	6	8	503	544
Collect	470	126	-	56	46	4	12	714	340
Artistic Programme Overseas: Showcasing	0	5	-	1	-	0	0	6	6
Learning & Talent Development:									
Learning programme	74	202	-	73	21	5	6	381	297
Talent development programme	36	103	-	47	11	4	3	204	643
Innovation	14	14	-	13	2	-	1	44	84
Leadership, Research & Influencing Policy	86	106	-	22	15	2	4	235	182
Audience Development & Communications:									
Crafts magazine & other publishing	357	114	-	34	36	3	10	553	435
Other	73	228	-	48	23	4	6	382	409
Gallery	120	138	-	57	20	4	5	344	306
Redevelopment Costs	-	-	-	-	-	-	-	-	-
Total resources expended	1,715	1,405	-	459	242	34	65	3,919	3,762

(i) Further analysis of staff costs is given in Note 8.

5b. Allocation of Expenditure 2021

	Direct Activities £'000	Direct Staff £'000	Grant making activities incl Staff time	Support Costs £'000	Support Staff £'000	Governance costs (6b) £'000	Governance staff £'000	2021 Total £'000	2020 Total £'000
<u>Expenditure on raising funds</u>									
Fundraising activities	62	181		32	19	4	5	303	297
Other trading activities	178	14		2	16	0	4	214	185
<u>Charitable Activities</u>									
Artistic Programme UK:	108	290		94	31	12	9	544	702
Exhibitions, Loans & Collection	143	124		41	21	5	6	340	827
Collect	0	5		1	-	0	0	6	7
Artistic Programme Overseas:									
Showcasing									
Learning & Talent Development:	57	154		57	17	7	5	297	376
Learning programme	39	117	389	38	43	5	12	643	302
Talent development programme	9	49		19	4	2	1	84	101
Innovation	67	77		21	11	3	3	182	213
Leadership, Research & Influencing Policy									
Audience Development & Communications:	291	82		22	29	3	8	435	454
Crafts magazine & other publishing	80	227		63	24	8	7	409	545
Other									
Gallery	104	132		41	19	5	5	306	
Redevelopment Costs	0			-	-	-	-	-	86
Total resources expended	1,138	1,452	389	431	234	54	64	3,762	4,097

5c. Nature of Support and Governance Costs 2022

	Support Costs £'000	Governance Costs £'000	2022 Total £'000	2021 Total £'000
Facilities costs	337	4	341	319
Finance & HR costs	62	1	63	44
IT costs	60	1	61	78
Audit fees	-	24	24	24
Trustee expenses	-	4	4	20
Support & governance sub-totals	459	34	493	484

5d. Nature of Support and Governance Costs 2021

	Support Costs £'000	Governance Costs £'000	2021 Total £'000	2020 Total £'000
Facilities costs	312	7	319	450
Finance & HR costs	43	1	44	193
IT costs	76	2	78	77
Audit fees	-	24	24	19
Trustee expenses	-	20	20	1
Support & governance sub-totals	431	54	484	740

6. Grants Payable

Crafts Council does not set out to be a grant giving organisation, however, due to the specific circumstances as a result of Covid during the previous financial year we were able to administer hardship grants covering England and Scotland. Funding was provided by the Radcliffe Trust for England, and by the Scottish Government for Scotland.

Project	Purpose of grant	Grant £'000	Support costs £'000	2022 £'000	2021 £'000
Scottish Hardship Fund	This fund was provided by Scottish Government to support freelance craft practitioners working in Scotland who were experiencing immediate financial hardship due to the loss of income as a result of the COVID-19 pandemic. The fund offered a one-off bursary of up to £2,000 to those who were most deeply impacted and disadvantaged as a result of COVID-19.	-	-	-	309
Hardship fund England	Grants of £500 supported makers who, during the Covid-19 lockdown, lost more than 75% of their income and didn't qualify for any form of government support.	-	-	-	80
		-	-	-	389

7. Auditors Remuneration

The auditor's remuneration constituted an audit fee of £19,000 (2021: £19,000) and additional tax advisory services of £5,400 (2021: £5,875).

8. Staff Costs

a) Staff costs consist of:	2022 £'000	2021 £'000
Wages and salaries	1,432	1,502
Employer's national insurance contributions	126	140
Employer's contribution to defined contribution pension schemes and defined benefit pension schemes treated as defined contribution schemes	77	84
Operating costs of defined benefit pension schemes	28	32
Agency staff	47	2
Total staff costs	1,710	1,760

There were termination payments of £28k in 2022 (2021: 25k).

b) Employee benefits received by higher paid employees

During the period, 3 employees (2021: 5) received employee benefits (excluding employer pension costs) of more than £60,000. Of these, 2 employees received benefits between £60,000 and £70,000 (2021: 3), and no employee received benefits between £70,000 and £80,000 (2021: 1) and 1 employee received benefits between £80,000 and £90,000 (2021:1)

c) Remuneration and benefits received by key management personnel

The key management personnel of Crafts Council comprise the Board of Trustees, the Executive Director, the Finance & Commercial Director, the Creative Director, Development Director and the Learning Director. The total employee benefits of the key management personnel (including employer pension costs and employers' national insurance contributions) were £429,648 (2021: £439,029).

d) Average number of employees

The average monthly head count was 45 staff (2021: 47 staff) and the average monthly number of full-time equivalent employees during the year (excluding short-term temporary workers) was 37 (2021: 41), analysed as follows, rounded to the nearest whole number:

	2022 No.	2021 No.
Raising Funds		
Fundraising activities	2	3
Other trading activities	0	0
Charitable Activities		
Artistic Programme UK:		
Exhibitions, Loans & Collection	6	9
Collect	4	4
Artistic Programme Overseas: Showcasing	0	0
Learning & Talent Development:		
Learning programme	6	5
Talent development programme	4	4
Innovation:	1	2
Leadership, Research & Influencing Policy:	2	2
Audience Development:		
<i>Crafts</i> magazine & other publishing	3	2
Gallery	4	4
Other	5	6
Total	37	41

The average monthly FTE head count initially allocated to Governance was 1 (2021: 1). This has been reallocated across the other analysis headers above.

9. Trustees' Remuneration and Benefits and Related Party Transactions

Trustees claimed travel and subsistence expenses totalling £496 (2021: £363) in discharging their duties as Trustees. Trustees were either reimbursed on provision of receipts or the supplier was paid directly by the Crafts Council. All meetings were held virtually during the year.

No Trustee received remuneration for any service during the year to 31 March 2022. There were no transactions with the Trustees during the year except for those detailed above.

Two (2021: 1) trustees claimed reimbursement for travel expenses supported by receipts, the total claims were £496 (2021: £373)

10. Pension Costs

Arts Council Retirement Plan (1994)

Crafts Council participates in the Arts Council Retirement Plan (1994) ("the Scheme"), a multi-employer defined benefit pension scheme, which is funded by its participants and complies with the Pension Act 2004 governing the funding of employer-sponsored pension arrangements in the UK. There is one present staff member accruing benefits in the Scheme. The assets of the Scheme are held in a separate fund administered by the Trustees of the Scheme.

The statutory funding objective of the Scheme is to ensure that the Trustees build up sufficient assets to meet the expected cost of paying benefits to members of the Scheme, with the assets accumulating at the same rate as members' benefits are earned over their working lives. If the objective is met, the value of the Scheme's assets should, at any time, at least equal the estimated current cost of providing those members' benefits that have been earned to date.

Crafts Council is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis and therefore, as required by FRS102 Chapter 28 'Employee Benefits', accounts for its obligations to the Scheme as if it were a defined contribution scheme and recognises a provision for contributions towards eliminating the Scheme's deficit. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the Scheme less the portion of the provision released in respect of the accounting year.

The Scheme is formally valued every three years; the last available report dated 31 March 2019 stated the valuation as at 31 March 2019, as valued by Bill Barnes, Fellow of the Institute and Faculty of Actuaries, of Hymans Robertson LLP, using the projected unit method. The financial assumptions chosen by the Trustees, which have the most significant effect on the result of the valuation, are shown in the table below:

Main actuarial assumptions:

Retail Prices Index (RPI)	Market implied RPI inflation curve (with allowance for 0.3% pa inflation risk premium)
Consumer Prices Index (CPI)	RPI curve less 1.0% p.a.
Salary increases (including an allowance for promotional pay increases)	In line with CPI inflation
Discount rate before retirement	Market implied gilt yield curve plus 1.25% p.a.
Discount rate after retirement	Market implied gilt yield curve plus 2.3% pa.

According to this report, the value of the assets of the Scheme, at the valuation date, excluding money purchase Additional Voluntary Contributions, was £178.1million (2016: £132.1 million) and the value of the past service liabilities was £199.8 million (2016: £157.6 million) indicating a deficit of £21.7 million (2016: £25.5 million). The assets therefore were sufficient to cover 89% of the benefits which had accrued to members.

The statutory funding objective was not met at the valuation date. While the funding position has improved since the previous valuation, deficit contributions will continue to be required. Deficit contributions payable by each employer have been revised to reflect their current share of Plan liabilities, and the latest assumptions about future plan experience as selected by the Trustees. The Trustees have proposed a revised contribution package for the sponsoring employers, taking effect from 1 April 2022, which continues to target elimination of the funding shortfall by 31 March 2029. This is set out below;

The contribution rate to be paid by Crafts Council from 1 April 2022 following the latest valuation.

- for the accrual of new benefits for members, 30.9% of pensionable salary plus £583 per month in relation to plan expenses (previously 23.2% and £583 per month)
- an annual contribution of £7,600 towards eliminating the Scheme's deficit (2021 £7,000)

During the financial year from 1 April 2021 to 31 March 2022, Crafts Council had one current member of the Scheme.

Therefore, the total cost of this Scheme included within Expenditure for the year was:

	2022 £	2021 £
Accrual of benefits for members	20,578	20,578
Annual contribution towards deficit	7,600	7,600
Less pension deficit provision released to SoFA during year	(7,418)	(7,418)
Revaluation of reserve following fund review		4,728
Plan expenses	7,000	7,000
Total staff costs	27,760	32,488

Under Staff Costs (note 11), all costs are disclosed within “Employer’s contribution” with the exception of plan expenses which are disclosed as “Operating costs”.

Group Personal Pension Plan

Permanent staff appointed on or after 31 March 2000 are eligible to join a Group Personal Pension Plan with Standard Life Assurance Company, a defined contribution scheme. For staff who joined before 1 April 2006, the Crafts Council funds an employer’s contribution of 15% of basic salary to the Standard Life Group Personal Pension.

From 1 April 2006, the contribution by the Crafts Council was reduced to 7% for all new employees and the minimum contribution for each employee is 3%.

Following the introduction of new pension regulation by the government, from May 2017 Crafts Council was required to operate an auto enrolment pension scheme for all employees. Crafts Council appointed Standard Life for the provision of this plan.

From its inception, the Crafts Council offered a more generous contribution than the legal minimum stipulated in the legislation, initially contributing 3% for an employee contribution of 1% (government minimum 1% employee, 1% employer. It is permissible for the employer to contribute a higher proportion, so long as the total contribution from both employee and employer is at least 2%). All employees not currently part of the existing Crafts Council scheme were auto-enrolled into the new scheme in May 2017.

From April 2018 the legislation required an increase in contributions to a minimum of 3% employee, 2% employer. Crafts Council again offered a more generous 5% contribution for an employee contribution of 2%.

From April 2019 the legislation required an increase in contributions to a minimum of 5% employee, 3% employer. Crafts Council are currently offering a more generous 7% contribution for an employee contribution of 3%.

Amounts paid to the Group Personal Pension Plan in the year to 31 March 2022 were £77,492 (2021: £84,232).

11. Intangible Assets

	Digital assets	Total
	£'000	£'000
Cost		
At 1 Apr 2021	169	169
Additions	5	5
Disposals	-	-
At 31 March 2022	174	174
Amortisation		
At 1 Apr 2021	64	64
Charge for the year and impairments	33	33
Disposals	-	-
At 31 March 2022	97	97
Net Book Value		
At 31 March 2022	76	76
At 1 April 2021	105	105

12. Tangible Assets

a)

	Leasehold improvements £'000	Fixtures, fittings & equipment £'000	Heritage assets £'000	Total £'000
Cost				
At 1 Apr 2021	1,380	114	991	2,485
Additions	1	11	-	12
Disposals	-	-	-	-
At 31 March 2022	1,381	125	991	2,497
Depreciation				
At 1 Apr 2021	419	112	1	532
Charge for the year and impairments	78	6	-	84
Disposals	-	-	-	-
At 31 March 2022	497	118	1	616
Net Book Value				
At 31 March 2022	883	7	990	1,880
At 1 April 2021	960	2	990	1,952

b) Heritage Assets

Heritage assets are stated at cost. In the opinion of the Trustees, the market value of the heritage asset Collection is in excess of its book value.

(i) Five year summary of purchases	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Total cost of assets purchased in year	-	26	83	5	24

(ii) Nature of Heritage Assets held and acquisition and disposal policy

The Collection numbers circa 1,800 objects spanning all the main media (excluding fashion). The scope of the Collection is craft between circa 1960 and the present day that is made in the UK, originated in the UK, or made by a UK maker (either as domicile or citizen). Many internationally acclaimed makers are represented, and the aim has been to maintain a balance between purchasing work from young makers and those already well established. It is not constituted as a survey of the crafts overall but reflects a wide and lively spectrum of activity in contemporary work. Acquired work must be ambitious, innovative, and show new approaches to making, in keeping with the Crafts Council's overall focus.

The primary objectives for the Collection are to:

- support the aims of the Crafts Council;
- benefit the widest possible audience through its use in Crafts Council projects, including long and short-term loans, partnership projects, touring exhibitions, displays on site and to support educational projects, published research and study;
- demonstrate excellence and quality in contemporary UK craft;
- stimulate an awareness of high-quality work on the part of a wide audience;
- record key moments in craft practice through acquiring work from major exhibitions and from makers who are at an important stage of development in their career; and
- to position contemporary UK craft as an important and distinct creative discipline.

In 2023/24 a new acquisition panel will be established, with internal representation from the Executive Director, Creative Director, Head of Public Programmes and a number of external representatives.

The Crafts Council has a long-term purpose, and its permanent collections contribute to its stated objectives. There is a strong presumption against the disposal of any items in the Crafts Council's Collection except as set out below.

In those cases where the Crafts Council is legally free to dispose of an item it is agreed that any decision to sell or otherwise dispose of material from the Collection will be taken only after due consideration; decisions to dispose of items will not be made with the principle aim of generating funds. Once a decision to dispose of an item has been taken, priority will be given to retaining the item within the public domain and with this in view it will be offered first, by exchange, gift or sale to Accredited museums before disposal to other interested individuals or organisations is considered. A decision to dispose of an object will be the responsibility of the Crafts Council's Trustee Board. Full records will be kept of all such decisions and the items involved.

Crafts Council's full Acquisition and Disposal Policy is published on its website and will be reviewed every five years. The last review was approved by the Board in July 2014.

13. Debtors

	2022 £'000	2021 £'000
Amounts receivable within one year:		
Trade debtors	20	40
Other debtors	-	2
VAT receivable	76	19
Prepayments	81	112
Accrued income	216	213
	393	386

14. Creditors

a) Amounts falling due within one year:	2022 £'000	2021 £'000
Trade creditors	248	146
Other creditors including payroll taxation	32	45
Accruals	166	93
Deferred income: subscriptions received in advance 14 (b)	70	97
Deferred income: other 14 (c)	23	36
Pension contribution due within one year	7	7
Balance as at 31 March	546	424

b) Movements in subscriptions received in advance

Balance as at 1 April	97	77
Year-end balance invoiced during the year	70	97
Opening balance released during the year	(97)	(77)
Balance as at 31 March	70	97

c) Movements in other deferred income

Balance as at 1 April	36	15
Year-end balance invoiced during the year	23	36
Opening balance released during the year	(36)	(15)
Balance as at 31 March	23	36

15. Creditors After One Year

	2022 £'000	2021 £'000
Amounts falling after one year:		
Pension provision	40	48
Rent provision	207	228
Balance as at 31 March	247	276

Pension provision

The pension provision represents the Crafts Councils' present obligation to contribute towards the deficit relating to past service on the Arts Council Retirement Plan (1994), full details of which are given under Note 10.

Under the latest formal triennial actuarial valuation which took place on 31 March 2019 the contribution rate has been reviewed and from 1 April 2020 the Crafts Council's annual contribution to the scheme deficit was revised to £7,000 (previously £8,100). This is an annual amount payable at the commencement of each year up to March 2029 (8 years). The contribution has been discounted back to its present value at the reporting date and the reserve reflects the current best estimate of the settlement amount.

Rent reserve

Crafts Council leases 44a Pentonville Road. The existing lease was due to expire in 2025. In 2019, we extended the lease to 2040. As an incentive the landlord agreed two periods of rent reduction. The first 18 months of the lease from January 2019 to June 2020 will be charged at half rent. This is followed by a further half rent period from January to December 2026. In accordance with Accounting Standards, the deemed benefit of the rent-free period has been spread over the remainder of the lease. A reserve has been created to reflect and separately disclose this.

	2022 £'000	2021 £'000
Movements in rent reserve		
Balance as at 1 April	228	146
Reserve accrued during the year	(21)	82
Opening balance released during the year	-	-
Balance as at 31 March	207	228

16. Funds

a) Unrestricted undesignated funds	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
General	604	3,609	(3,776)	268	705
Unrestricted designated funds					
Collection (heritage assets)	990	-	-		990
Intangible Assets (Digital assets)	105	-	-	(29)	76
Other tangible fixed assets	962	-	-	(72)	890
Program 22/23		-	-	110	110
Program 21/22	276	-	-	(221)	55
Rent reserve	(228)	-	-	21	(207)
Pension reserve	(55)			7	(48)
Total-Unrestricted-designated	2,050	-	-	(183)	1,867
Total unrestricted funds	2,654	3,609	(3,776)	84	2,573
Total restricted funds 17 (c)	59	218	(143)	(84)	48
Total funds	2,713	3,827	(3,919)	-	2,622

b) Prior year fund movements are shown below;

	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
Unrestricted undesignated funds					
General	288	3,473	(3,213)	56	604
Unrestricted designated funds					
Collection (heritage assets)	963	-	-	27	990
Digital assets	59	-	-	46	105
Other tangible fixed assets	893	-	-	69	962
Gallery development	88	-	-	(88)	-
Website and Brand review	72	-	-	(72)	-
Dilapidations on 44a	75	-	-	(75)	-
				276	276
Rent free period reserve	(146)	-	-	(82)	(228)
Pension Reserve	(57)	-	-	2	(55)
	1,947	-	-	103	2,050
Total unrestricted funds	2,235	3,473	(3,213)	159	2,654
Total restricted funds	64	703	(549)	(159)	59
Total funds	2,299	4,176	(3,762)	-	2,713

Transfers between designated funds and undesignated funds represent:

- Acquisitions less depreciation of fixed assets.
- Pension deficit cash expenditure, less the portion of the pension deficit provision which was released during the period.
- The creation of a rent reserve to show the accrual of rental income and spread the benefit of the rent-free period over the life of the new lease for 44a.
- At the end of 2020/21, the trustee created a designated reserve of £276k for programme spend which was delayed from 2020/21 to 2021/22 due to Covid restrictions. We have still seen some impact from the pandemic in this financial year which has delayed certain activities and will again carry forward designated reserves of £165k to cover these costs.

Transfers between restricted funds and unrestricted funds represent either:

- Allocations of restricted funds against fixed assets purchased and held for general purposes, in accordance with the terms and conditions of the donated funds;
- Deficits on restricted funds met from general unrestricted undesignated funds; or
- Surpluses on restricted funds at the end of the project moved to general unrestricted undesignated funds, provided this is in accordance with terms and conditions set by the funder.

c) Purpose of Designated Fund

Designation	Purpose of designated fund
Collection (heritage assets)	Equivalent to the net book value of the Collection
Digital assets (Intangible assets)	Equivalent to the net book value of digital intangible assets
Other tangible fixed assets	Equivalent to the net book value of all other fixed assets
Pension Reserve	The Pension Reserve deficit represents the net present value of Crafts Council's total expected contribution towards the Arts Council Retirement Plan Scheme deficit. It is the equivalent to the Balance Sheet provision at the year end.
Rent Reserve	The accrual of rental income to spread the benefit of the rent-free period over the course of the lease for 44a.
22/23 Program spend	Programme spend which was initially planned for 21/22 which has been delayed to 22/23 due to covid

d) Restricted Fund Analysis

	As at 1 Apr 21 £'000	Income £'000	Expenditure £'000	Transfers £'000	As at 31 Mar 22 £'000
Purpose of restricted fund:					
44aredevelopment support	-	-	-	-	-
Exhibitions and collections	-	17	(14)	-	3
Gallery	-	6	-	(6)	-
Collect	-	-	-	-	-
Learning & talent	41	81	(73)	(6)	43
Leadership R&P	9	114	(47)	(74)	2
Innovative Programme	9		(9)		
Total net assets as at 31 March 2022	59	218	(143)	(86)	48

The restricted fund analysis for 2020/21 is shown below.

	As at 1 Apr 20 £'000	Income £'000	Expenditure £'000	Transfers £'000	As at 31 Mar 21 £'000
Purpose of restricted fund:					
Home for Craft redevelopment support	-	131	-	(131)	-
Gallery	-	9	(9)		-
Exhibitions	6	55	(60)	-	-
Learning and talent	49	440	(438)	(1)	50
Innovation programme	9	-	-	-	9
Purchase of assets for the Collection	-	27	-	(27)	-
Total net assets as at 31 March 2021	64	703	(549)	(159)	59

Restricted funds are raised for a specific purpose within the Crafts Council's charitable objectives.

Restricted income comes from a mixture of grants and donations from institutional donors and individuals.

e) Analysis of Net Assets Between Funds

	Unrestricted General Funds £'000	Unrestricted Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund balances represented by:				
Tangible fixed assets	-	1,956	-	1,956
Current assets	1,245	165	48	1,458
Current liabilities	(546)		-	(546)
Long Term Liabilities	-	(247)		(247)
Total net assets as at 31 March 2022	699	1,874	48	2,621

17. Commitments Under Operating Leases

a) As at 31 March, Crafts Council had the following Total commitments under operating leases:

	2022 £'000	2021 £'000
Leases expiring after five years: land and buildings	2,870	2,870
Leases expiring in one to two years: equipment	0	0
Leases expiring in two to five years: equipment	10	10

b) As at 31 March, Crafts Council had no income receivable under operating leases (2021: 0)

The tenant who previously sublet space at 44a Pentonville Road exercised the break clause and left the building in December 2019.

18. Notes to the Cash Flow Statement

	2022 £'000	2021 £'000
Reconciliation of net income to net cash used in operating activities		
Net income for the year	(92)	414
Investment income receivable	(-)	-
Depreciation and Impairments	117	106
(Increase) / Decrease in stocks	0	1
(Increase) / Decrease in debtors	(7)	90
(Increase) in creditors	93	59
Net cash flow inflow from operating activities	111	670

Colour Breeze#1
by mischer'traxler
studio at Craft School.
Photo: Steve Bainbridge.





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