



Financial and reserves policies- 2019

Area educational activities

The South West Area has for some years been active in organising (and taking the financial risk) each year for two Study Days and an increasing number of five-day History of Art courses. The income from these activities in 2018 was £21,750; in 2017 it was £19,500. This excludes the one-off 50th Anniversary Super Study Day at Dartington which had a gross income of over £21,000 including £7,750 cash sponsorship. History of Art courses will be held in five centres in 2019.

The purpose of these educational activities is to provide members with educational learning experiences, whilst at least covering their costs. However, as most of them are very popular, the Area usually makes surpluses from these activities: £5,000 in 2018 (plus £3,250 from Dartington) and £2,830 in 2017. Study Days break-even with about 95 attendees. History of Art courses (costing £130 for five full days) need 20 members to cover their costs. No course or study day has made more than a nominal loss in the last few years.

The other members' activity which has been organised by the SW Area in recent years is a one week study tour, usually to another English region, visiting country houses, museums and gardens. These tours have made a surplus each year, most recently £2,000 in 2018 and £620 in 2017. The main fixed cost is the hire of the coach for a week. A tour would be cancelled in advance if numbers were insufficient to break even.

The combined success of these educational activities generated nearly £3,400 in 2017 and over £10,000 in 2018 – a total of £26,000 in the last six years. If the SW Area did not have any such activities, the funds currently raised from capitation fees (about £1,400) would be quite insufficient to cover basic running costs.

Area Grants and other improvements

As a result of the financial success of the area's educational activities, since 2014 the South West committee has organised a grants scheme, on similar lines to those run by Head Office. Grants have been awarded principally to

support Young Arts projects and to help struggling societies with promotional activities. The total value of grants awarded in the last five years has totalled £11,000. This is money paid out of the surplus from the educational activities.

As the Area funds are so healthy, we should have more at our disposal to give grants to societies in the next few years. We are well aware that many societies are suffering reduced membership numbers and we wish to do anything possible to help them to promote themselves. This is our preferred use of surplus funds.

In 2017 the SW Area purchased a digital projector and in 2018 spent £1,100 on new sound system to improve quality and to save hiring costs at meetings and study days. They can be lent to societies occasionally.

Publishing books

The area is about to embark on *Fifty Treasures in the South West*, an expensive project which requires about £5,000 in seed funding. There is a good chance that all this expenditure will eventually be recovered from book sales.

Area meetings

The South West Area invites its society chairmen to two Area meetings each year: the AGM in Spring and a second meeting in the Autumn. Chairmen are encouraged to bring a colleague, such as their Vice Chairman. The Area also invites society Programme Secretaries to an Autumn meeting, principally to hear about good speakers and to glean ideas from each other. The Area follows HO guidelines and attendees are invited to stay for a complimentary lunch after these meetings. The cost of holding these meetings in 2018 was about £1,850 - i.e. £400 more than the society capitation fees!

Marketing the Arts Society

Members of the Area committee attend local events from time to time to promote the Arts Society to non-members - for example a stall at the Taunton Flower Show. There is sometimes a small cost involved. We should encourage societies to do more of this and will give financial support for this.

Reserves policy

The SW Area ended 2018 with reserves of about £12,000, including restricted funds of £1,000 for a future major church recording project. As has been explained above, the area relies on the continuation of its educational activities to sustain the running costs without the need to increase capitation fees. This is a happy balance of activities which give

members enjoyment and educational experiences whilst helping to balance the books.

We should aim to keep about £8,000 reserves for any future downturn in the level of our current activities. The continuation of our educational activities relies heavily upon two committee members. In the event that they were unwilling or unable to continue and it was not possible to find other willing volunteers for a few years, the South West Area would lose at least £2,000 a year. We also need to keep a contingency fund of at least £2,000 for leaner years.

In view of the above, the current level of reserves is considered adequate and appropriate for the South West area, bearing in mind the risks and opportunities outlined above.

David Yates
Chairman

Jeremy Logie
Treasurer