

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008

REGISTERED CHARITY No. 1089743

OFFICE OF SCOTTISH CHARITIES No. SC039240

A COMPANY LIMITED BY GUARANTEE AND REGISTERED IN ENGLAND & WALES

No. 4307984

**NADFAS House
8 Guilford Street
London WC1N 1DA**

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008

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THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

Patron	HRH The Duchess of Gloucester
President	Mr Christopher Lloyd
Vice Presidents	Dr Richard Chartres (The Rt Hon and Rt Rev Bishop of London) Dr Martin Drury (appointed 1st January 2009) Mrs Philippa Glanville (appointed 1st January 2009) Mr Desmond Shawe -Taylor Dr Simon Thurley (retired 31st December 2008)
Trustees	
Honorary Officers	Chairman Mrs Susan Sellers
	Vice-Chairman Mrs Pat Turner (died 24th November 2008)
	Treasurer Mr Chris Robinson
	Mr Danny Bonwitt (elected 14th May 2008) Mrs Pauline Curtis (retired 14th May 2008) Mrs Gri Harrison Mrs Barbara Hickman Mrs Elizabeth Knox (elected 14th May 2008) Mrs Jill Makepeace-Warne Mrs Elizabeth Reid (retired 14th May 2008) Mr Miles Roberts Lady Shaw-Stewart Mrs Heather Spencer Mr Colin Winchester Mr Nigel Yallop
Chief Executive	Mr David Bell
Company Secretary	Mr Graeme East

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT (CONTINUED)

Principal Bankers	Barclays Bank plc CafCash Ltd Royal Bank of Scotland plc
Solicitors	Bates Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB
Auditors	Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD

Independent Auditors' Report to the Members of The National Association of Decorative and Fine Arts Societies

We have audited the group and parent charitable company financial statements (the "financial statements") of NADFAS for the year ended 31 December 2008 which comprise the Group Statement of Financial Activities, the Group and Charitable Company Balance Sheets and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of NADFAS for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charitable company's affairs as at 31 December 2008 and of the group's and charitable company's incoming resources and application of resources, including the income and expenditure of the group and charitable company for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD
2nd April 2009

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	GENERAL 2008 £	DESIGNATED 2008 £	TOTAL 2008 £	TOTAL 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income					
Subscriptions and fees from members		997,744	20,877	1,018,621	986,946
Gift Aid		-	79,040	79,040	80,638
Donations, legacies and other similar income		9,465	33,582	43,047	23,396
Activities for generating funds					
Educational course fees and events	3	58,020	158,850	216,870	165,491
Trading subsidiaries income	2	333,936	-	333,936	356,324
Other income		-	37,179	37,179	6,523
Investment Income					
Bank interest and investment income		64,454	33,522	97,976	106,240
Total Incoming Resources		1,463,619	363,050	1,826,669	1,725,558
Resources expended					
Costs of generating funds					
Costs of generating voluntary income					
Gift Aid - Societies' administration fees		-	27,039	27,039	27,904
Fundraising trading					
Trading subsidiaries expenditure	2	442,377	-	442,377	373,380
Education courses and events	3	-	131,182	131,182	117,297
Charitable activities					
Societies and Area Grants	4	2,264	-	2,264	4,350
Education	3,4	194,563	72,461	267,024	227,671
Volunteering	3,4	252,267	22,227	274,494	247,691
Membership Services	3,4	350,919	64,700	415,619	335,083
Governance costs	4	172,701	-	172,701	128,047
Total resources expended		1,415,091	317,609	1,732,700	1,461,423
Net income before transfers		48,528	45,441	93,969	264,135
Transfers					
Gross transfers between funds	3	(39,122)	39,122	-	-
Net incoming resources before other recognised gains and losses		9,406	84,563	93,969	264,135
Other recognised (losses)/gains					
Unrealised (loss)/gain in the value of Investments	7	(93,017)	(45,771)	(138,788)	3,404
Net movement in funds		(83,611)	38,792	(44,819)	267,539
Reconciliation of Funds					
Total funds brought forward	3	1,161,643	1,558,031	2,719,674	2,452,135
Total funds carried forward	3,12	1,078,032	1,596,823	2,674,855	2,719,674

There are no recognised gains or losses other than those shown above
 All activities derive from continuing operations
 The accompanying notes form part of the financial statements

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

BALANCE SHEETS

AS AT 31ST DECEMBER 2008

	Notes	Group		Charity	
		2008 £	2007 £	2008 £	2007 £
FIXED ASSETS					
Property	5	758,433	750,410	758,433	750,410
Other tangible assets	6	45,177	25,352	45,177	25,352
Investments	7	648,907	683,195	683,907	718,195
		1,452,517	1,458,957	1,487,517	1,493,957
CURRENT ASSETS					
Stock & work in progress		29,213	29,222	-	-
Debtors	8	172,627	115,031	208,251	171,018
Cash in hand and at bank	9	1,646,414	1,598,572	1,526,890	1,446,654
		1,848,254	1,742,825	1,735,141	1,617,672
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	10	(625,916)	(482,108)	(576,301)	(420,453)
NET CURRENT ASSETS		1,222,338	1,260,717	1,158,840	1,197,219
TOTAL ASSETS		2,674,855	2,719,674	2,646,357	2,691,176
FUNDS					
<u>General:</u>					
Charitable		1,049,534	1,133,145	1,049,534	1,133,145
Non-charitable trading subsidiaries	2	28,498	28,498	-	-
TOTAL GENERAL		1,078,032	1,161,643	1,049,534	1,133,145
<u>Designated</u>	3	1,596,823	1,558,031	1,596,823	1,558,031
TOTAL FUNDS	12	2,674,855	2,719,674	2,646,357	2,691,176

The accompanying notes form part of these financial statements.

Approved by the Board on 1st April 2009

SUSAN SELLERS
Chairman

CHRIS ROBINSON
Honorary Treasurer

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008

1 ACCOUNTING POLICIES

The accounting policies remain unchanged from the previous year.

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. In particular these accounts have been drawn up in accordance with applicable accounting standards, the Statement of Recommended Practice (SORP): "Accounting and Reporting by Charities" (2005), the Charities Act 1993, and the Companies Act 1985.

(b) BASIS OF CONSOLIDATION

Consolidated financial statements have been prepared in respect of the Group, which comprises NADFAS and its wholly owned subsidiaries, NADFAS Enterprises Limited and NADFAS Tours Limited. The results of the subsidiaries and the Area Committees are consolidated on a line by line basis.

(c) FUND ACCOUNTING

Unrestricted funds are divided into general and designated funds.

General funds are available for use at the discretion of Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of Trustees.

(d) GRANTS

Grants payable are recognised in the accounting period within which they are approved.

(e) PENSIONS

Contributions are made either to a Group Personal Pension Plan or to individual staff members' Personal Pension Plans and are recognised on an accruals basis.

(f) INCOMING RESOURCES

Incoming resources arising during the year comprise membership subscriptions, educational course income, donations, legacies and grants, investment income, income from subsidiaries and other income.

Subscriptions other than National Membership subscriptions are included in the Statement of Financial Activities in the period to which they relate; any subscriptions received in advance are carried forward as deferred income.

Amounts received in advance for educational courses and events are carried forward as deferred income.

(g) RESOURCES EXPENDED

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to Charitable Activities have been apportioned based on usage. The allocation of overhead and support costs is analysed in note 4. Included within Overhead and Support are staff costs, administrative and general office costs and depreciation.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(h) FIXED ASSETS

Fixed assets are stated at cost less depreciation; individual items costing less than £1,000 are not treated as fixed assets. Depreciation is calculated to write off the cost or valuation of fixed assets over their expected useful lives as follows:

Freehold land - not depreciated

Freehold building - over two hundred years

Furniture, fixtures and equipment - over three to five years

The building is maintained in a constant state of sound repair; the carrying value of the building is reviewed annually and reduced to the extent that it is considered that there has been an impairment of value.

(i) FIXED ASSET INVESTMENTS

Quoted investments are stated at market value, the aggregate of any unrealised gains or losses being taken to the relevant fund. Unquoted investments in subsidiary undertakings are stated at cost less provision for any diminution in value.

(j) STOCKS & WORK IN PROGRESS

These are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing stocks to their present location and condition.

(k) INSURANCE

An insurance premium is collected in respect of each member society and passed to the Groups' insurers on an agency basis and not included in the Charity's own financial statements.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

2 NET INCOME FROM TRADING SUBSIDIARIES

NADFAS owns the entire issued capital of two trading companies which are registered in England and Wales. NADFAS Enterprises Limited publishes "NADFAS Review", prints the Directory of Lecturers and retails certain products. NADFAS Tours Limited generates income from art-history tours. These two companies were established primarily to enhance the educational and promotional activities of NADFAS and to generate funds essential to the long term growth of NADFAS, and accordingly both companies donate their taxable profits to NADFAS.

The income and expenditure of the trading subsidiaries is disclosed separately in the Consolidated Statement of Financial Activities. Their audited financial statements are summarised below.

	NADFAS Enterprises Ltd		NADFAS Tours Ltd		Total	
	2008 £	2007 £	2008 £	2007 £	2008 £	2007 £
Turnover	418,088	356,955	58,159	59,870	476,247	416,825
Cost of sales	(364,932)	(307,690)	-	-	(364,932)	(307,690)
Gross profit	53,156	49,265	58,159	59,870	111,315	109,135
Administration Expenses	(44,601)	(46,954)	(12,707)	(12,146)	(57,308)	(59,100)
Other income	2,230	2,745	1,196	2,270	3,426	5,015
Profit before taxation	10,785	5,056	46,648	49,994	57,433	55,050
Taxation	-	-	-	-	-	-
Profit after taxation	10,785	5,056	46,648	49,994	57,433	55,050
Donation to NADFAS	(10,785)	(5,056)	(46,648)	(49,994)	(57,433)	(55,050)
Profit retained in subsidiary	-	-	-	-	-	-
Profit retained brought forward	28,498	28,498	-	-	28,498	28,498
Profit retained carried forward	28,498	28,498	-	-	28,498	28,498
Capital and Reserves						
Profit and Loss Account	28,498	28,498	-	-	28,498	28,498
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
Shareholders' Funds	33,498	33,498	30,000	30,000	63,498	63,498

Turnover of NADFAS Enterprises in 2008 includes £142,311 (2007 - £60,501) charged to NADFAS for the publication of *NADFAS Review* which is eliminated when consolidating the group figures.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

3 GROUP DESIGNATED FUNDS

Designated funds comprise the Britcher Furlong Bequest Fund, the Patricia Fay Memorial Fund, the Zena Walker Bequest Fund, the IT Equipment Fund, the Property Fund, the Property Maintenance Fund and the Area Funds. A summary of movements within group designated funds is shown below:

	Britcher Furlong Bequest Fund	Patricia Fay Memorial Fund	Zena Walker Bequest Fund	IT Equipment Fund	Property Fund	Property Maintenance Fund	Area Funds	Total	Total
	2008	2008	2008	2008	2008	2008	2008	2008	2007
	£	£	£	£	£	£	£	£	£
Incoming resources									
Incoming resources from generated funds									
Voluntary income									
Subscriptions and fees from members	-	-	-	-	-	-	20,877	20,877	18,545
Gift Aid	-	79,040	-	-	-	-	-	79,040	80,638
Donations legacies and similar income	-	25,145	-	-	-	-	8,437	33,582	15,757
Activities for generating funds									
Educational course fees and events	-	-	-	-	-	-	158,850	158,850	144,310
Other income	-	-	-	-	-	-	37,179	37,179	6,523
Investment income									
Bank interest	4,084	15,667	1,440	-	-	-	5,594	26,785	31,449
Investment Income	-	6,737	-	-	-	-	-	6,737	6,237
Total incoming resources	4,084	126,589	1,440	-	-	-	230,937	363,050	303,459
Resources expended									
Costs of generated funds									
Costs of generating voluntary income									
Gift Aid - Societies' administration fees	-	27,039	-	-	-	-	-	27,039	27,904
Education courses and events	-	-	-	-	-	-	131,182	131,182	117,297
Charitable activities									
Education grants	-	46,793	4,000	-	-	-	27,250	78,043	56,427
Volunteering grants	3,252	9,665	-	-	-	-	9,310	22,227	20,867
Membership services grants	-	-	-	-	-	-	909	909	4,294
Prior year grants unclaimed	-	(5,582)	-	-	-	-	-	(5,582)	-
Membership services general	176	94	-	3,020	3,314	-	57,187	63,791	38,741
Total resources expended	3,428	78,009	4,000	3,020	3,314	-	225,838	317,609	265,530
Net income / expenditure before transfers	656	48,580	(2,560)	(3,020)	(3,314)	-	5,099	45,441	37,929
Transfers									
Gross transfers between funds									
General Fund - depreciation	-	-	-	3,020	3,314	-	-	6,334	3,532
General Fund - additional property expenditure	-	-	-	-	11,337	-	-	11,337	-
Transfer to Property Maintenance Fund	-	-	-	-	(6,312)	6,312	-	-	-
Provision for IT project and other equipment	-	-	-	21,451	-	-	-	21,451	130,000
Net incoming resources before other recognised gains and losses	656	48,580	-	2,560	21,451	5,025	6,312	5,099	84,563
Other recognised gains									
Unrealised (loss) gain in the value of investments	-	(32,438)	(13,333)	-	-	-	-	(45,771)	1,943
Net movement in funds	656	16,142	(15,893)	21,451	5,025	6,312	5,099	38,792	173,404
Funds brought forward	68,000	298,095	127,812	169,379	753,408	12,691	128,646	1,558,031	1,384,627
Funds carried forward	68,656	314,237	111,919	190,830	758,433	19,003	133,745	1,596,823	1,558,031
Fund balances are represented by:									
Property	-	-	-	-	758,433	-	-	758,433	750,410
Fixed assets	-	-	-	31,633	-	-	-	31,633	701
Investments	-	202,891	87,707	-	-	-	-	290,598	276,870
Current assets	71,156	348,291	24,212	159,197	-	19,003	201,967	823,826	853,801
Creditors due within one year	(2,500)	(236,945)	-	-	-	-	(68,222)	(307,667)	(323,751)
Total net assets	68,656	314,237	111,919	190,830	758,433	19,003	133,745	1,596,823	1,558,031

Designations of £24,471 (2007 £131,066) to the IT Fund, £8,339 (2007 £2,466) to the Property Fund and £6,312 (2007 £Nil) to the Property Maintenance Fund have been made from the General Fund in the year.

Designated funds are amounts that have been set aside at the discretion of Trustees and comprise:

- i) The Britcher Furlong Bequest Fund
This Fund derives from a bequest of £100,000 from Mr Rex Britcher and Dr George Furlong, and is to be spent on worthwhile projects and/or capital items for the benefit of members. The fund is administered by the Trustees.
- ii) Patricia Fay Memorial Fund
This fund is administered by the Trustees and provides grants.
- iii) The Zena Walker Bequest Fund
This Fund derives from a bequest of £120,790 from Mrs Zena Walker and is to be used for an annual scholarship which is administered by the Trustees.
- iv) The IT Equipment Fund
This designation represents the usage of funds received from the Britcher Furlong Bequest Fund in 2001 for the specific purpose of updating the association's IT systems, and funds set aside for future replacement of IT and Communications equipment (hardware and software).
- v) Property Fund
This designation represents the extent to which funds are invested in the property for the use by the Charity and are therefore not available for other purposes.
- vi) Property Maintenance Fund
This designation represents funds set aside for major maintenance or refurbishment at NADFAS House.
- vii) Area Funds
This designation represents funds maintained by Area Committees of NADFAS.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

4 RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

	Group General	Group General
	2008	2007
	£	£
Salaries	464,672	412,729
Pension contributions	35,213	32,529
Social Security costs	49,136	43,287
	<u>549,021</u>	<u>488,545</u>

One employee received emoluments in the range £60,000-£70,000 (2007: Nil)
Contributions to a Defined Contribution Pension Scheme on behalf of this employee totalled £6,500.
The average monthly number of employees, including part-time staff, was 15 (2007: 15)

b) PENSIONS

Contributions are made either to a Group Personal Pension Plan or to individual staff members' Personal Pension Plans at a rate of 5% of basic salary, plus up to a further 5% to match employee contributions. The total pension costs paid during the year (and comparatives) are disclosed in note 4a. Creditors at the year end included £Nil in respect of pension payments due. (2007: £Nil).

c) EXPENSES REIMBURSED TO TRUSTEES

A total of £19,812 (2007: £14,274) was reimbursed to 15 trustees in the year for travel, telephone and other incidental expenses.

Insurance costs include payment for Trustee Indemnity Insurance, the cost of which cannot be separately identified.

None of the trustees who served during the period received any remuneration for their services (2007: £Nil)

d) AUDITORS' FEES

	Group	Group
	2008	2007
	£	£
Audit	12,718	12,205
Branches (Areas)	518	470
Other	650	953
	<u>13,886</u>	<u>13,628</u>

e) DEPRECIATION

Depreciation on owned assets	<u>17,441</u>	<u>8,601</u>
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f) ANALYSIS OF GRANTS

		Number 2008	Number 2007	Group 2008	Group 2007
				£	£
Designated Funds	Education Grants	57	31	72,461	56,427
	Volunteering Grants	50	47	22,227	20,867
	Membership Services Grants	4	9	909	4,294
General Funds	Church Recording photography	32	36	2,264	4,350
		<u>143</u>	<u>123</u>	<u>97,861</u>	<u>85,938</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

4 RESOURCES EXPENDED (continued)

g) ALLOCATION OF SUPPORT COSTS AND OVERHEADS

The allocation of support costs and overheads and how these were allocated between Governance and Charitable Activities is shown in the table below:

	Societies grants	Education	Volunteering	Membership Services	Governance	Total 2008	Total 2007
Costs directly allocated to activities							
Staff Costs	-	86,359	117,154	147,802	30,143	381,458	351,866
Staff and Volunteering expenses	-	33,004	31,150	24,765	73,915	162,834	127,447
Grants	2,264	-	-	-	-	2,264	4,350
Information Technology	-	-	760	4,751	-	5,511	5,983
Publicity and events costs	-	17,345	3,373	60,800	33,241	114,759	48,452
Legal and Professional fees (inc Audit fees)	-	-	-	5,149	11,842	16,991	16,050
Support costs directly allocated	-	4,884	27,971	16,993	5,071	54,919	56,700
Directly allocated Total	2,264	141,592	180,408	260,260	154,212	738,736	610,848
Support costs apportioned to activities by usage							
Staff Costs	-	27,078	36,733	46,342	9,451	119,604	125,953
Staff and Volunteer expenses	-	189	256	323	66	834	14
Information Technology	-	4,557	6,182	7,800	1,591	20,130	16,486
Publicity and Event costs	-	614	833	1,051	214	2,712	2,824
General Office	-	951	1,290	1,628	332	4,201	4,046
Premises & Insurance	-	14,328	19,438	24,523	5,001	63,290	44,886
Stationery, Printing, Postage and Telephone	-	2,526	3,427	4,324	882	11,159	12,386
Depreciation	-	2,728	3,700	4,668	952	12,048	5,070
Support costs total	-	52,971	71,859	90,659	18,489	233,978	211,665
Resources Expended Total	2,264	194,563	252,267	350,919	172,701	972,714	822,513

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

5 PROPERTY

	Group & Charity Freehold Property
	£
Cost	
As at 1st January 2008	772,567
Additions	11,337
As at 31st December 2008	<u>783,904</u>
Depreciation	
As at 1st January 2008	22,157
Charge for period	3,314
As at 31st December 2008	<u>25,471</u>
Net book value:	
31st December 2008	<u>758,433</u>
31st December 2007	<u>750,410</u>

Freehold property acquired by NADFAS on 2nd June 1994 consisted of a Grade II listed building at 8 Guilford Street, London WC1N 1DA (valued at £255,000 in 1994) and land (valued at £130,000 in 1994). Building work of £50,000 had to be carried out after the date of valuation. Subsequent building work to the value of £336,744 took place in 2005 / 2006, with additional costs of £11,337 being finally agreed in 2008. The property is insured for £1,362,558. The Trustees have reviewed the condition of the freehold property and believe that the net book value of £758,433 represents at least the market value.

6 OTHER TANGIBLE FIXED ASSETS

	Group & Charity Furniture, Fixtures & Equipment
	£
Cost	
As at 1st January 2008	107,654
Additions	33,952
As at 31st December 2008	<u>141,606</u>
Depreciation	
As at 1st January 2008	82,302
Charge for period	14,127
As at 31st December 2008	<u>96,429</u>
Net Book Value	
31st December 2008	<u>45,177</u>
31st December 2007	<u>25,352</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

7 INVESTMENTS

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Unrestricted Funds				
<u>Unlisted investment - at cost</u>				
Subsidiary companies:				
- NADFAS Enterprises Ltd	-	-	5,000	5,000
- NADFAS Tours Ltd	-	-	30,000	30,000
<u>Listed Investments - at market value</u>				
<u>Equity Units/Shares:</u>				
CCLA COIF 10,197.57 units	88,676	119,368	88,676	119,368
CAF Equity UK Growth 30,458.99 units	32,317	47,775	32,317	47,775
JP Morgan UK Equity 18,701.63 units	31,417	47,102	31,417	47,102
M&G Charifund 2,126 units	20,935	30,898	20,935	30,898
Schroder Charity Equity Fund 17,649.40 units	35,060	46,771	35,060	46,771
Grupo Santander (formerly Abbey National plc) 100 ordinary shares	620	1,053	620	1,053
RCM (Allianz Global) Overseas Equity 9447.26 units	173,829	152,772	173,829	152,772
Legal & General CAF UK Equitrack Fund 139,105.76 units	69,857	55,663	69,857	55,663
<u>Fixed Interest Funds:</u>				
CCLA COIF Fixed Interest 28,239.48 units	36,990	35,728	36,990	35,728
JP Morgan UK Bonds 17,777.90 units	21,834	20,621	21,834	20,621
M&G Charibond 16,900 units	20,128	20,517	20,128	20,517
Legal & General Gilt Trust 76,982.30 units	117,244	104,927	117,244	104,927
	<u>648,907</u>	<u>683,195</u>	<u>683,907</u>	<u>718,195</u>

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Reconciliation of movement in investments:				
As at 1st January 2008	683,195	379,791	718,195	414,791
Additions	104,500	300,000	104,500	300,000
Net (decrease)/increase arising on revaluations in the period	(138,788)	3,404	(138,788)	3,404
Market value at 31st December 2008	<u>648,907</u>	<u>683,195</u>	<u>683,907</u>	<u>718,195</u>
Historical cost at 31st December 2008	<u>658,407</u>	<u>553,907</u>	<u>693,407</u>	<u>588,907</u>
Reconciliation of movement in unrealised losses/ gains in investments, excluding subsidiaries:				
Unrealised gains at 1st January 2008	129,288	125,884	129,288	125,884
Net (decrease) increase arising on revaluations in the period	(138,788)	3,404	(138,788)	3,404
Unrealised (loss) gain as at 31st December 2008	<u>(9,500)</u>	<u>129,288</u>	<u>(9,500)</u>	<u>129,288</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

8 DEBTORS

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	56,841	58,867	-	-
NADFAS Enterprises Limited	-	-	39,313	60,441
NADFAS Tours Limited	-	-	57,226	59,927
Other debtors	24,377	33,191	24,377	33,191
Prepayments & accrued income	91,409	22,973	87,335	17,459
	<u>172,627</u>	<u>115,031</u>	<u>208,251</u>	<u>171,018</u>

9 CASH AT BANK AND IN HAND

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
General Funds	897,687	771,323	778,163	619,405
Designated Funds:				
Patricia Fay Memorial Fund	325,557	269,547	325,557	269,547
Britcher Furlong Bequest	70,312	67,939	70,312	67,939
Zena Walker Bequest	24,212	76,273	24,212	76,273
Property Fund	-	40,468	-	40,468
Maintenance Fund	19,003	12,681	19,003	12,681
IT Fund	111,760	168,678	111,760	168,678
Area Funds	197,883	191,663	197,883	191,663
	<u>1,646,414</u>	<u>1,598,572</u>	<u>1,526,890</u>	<u>1,446,654</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

10 CREDITORS: amounts falling due within one year

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
General Funds:				
Trade creditors	69,228	19,763	58,530	9,101
Other creditors	12,148	9,190	11,436	8,478
Other taxes and social security costs	22,480	27,227	13,248	13,811
Accruals	17,506	13,628	12,219	8,578
Deferred income	196,711	88,548	173,025	56,733
Designated Funds:				
Loans - Patricia Fay Memorial Fund	218,500	190,630	218,500	190,630
Accruals	21,605	64,108	21,605	64,108
Area Funds - Deferred Income	67,738	69,014	67,738	69,014
	<u>625,916</u>	<u>482,108</u>	<u>576,301</u>	<u>420,453</u>

Loans to the Patricia Fay Memorial Fund are interest free and are repayable on demand.

11 DEFERRED INCOME

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
As at 1 January 2008	157,562	261,950	125,747	235,064
Amounts deferred during the period	-	157,562	-	125,747
Amounts released during the period	(157,562)	(261,950)	(125,747)	(235,064)
Balances carried forward as at 31 December 2008	<u>-</u>	<u>157,562</u>	<u>-</u>	<u>125,747</u>

Charity deferred income at 31 December 2008 includes Affiliation Fees of £172,914 (2007: £36,005) and study courses and events fees of £111 (2007: £76) received in advance. Group deferred income in addition includes lecturers subscriptions of £23,686 (2007: £23,205) and Area events income of £48,286 (2007: £48,326) received in advance.

12 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General	Designated	Total	Total
	2008 £	2008 £	2008 £	2007 £
Property and other tangible assets	13,544	837,503	851,047	775,762
Investments	358,309	290,598	648,907	683,195
Current assets	1,024,428	776,389	1,800,817	1,742,825
Creditors: amounts falling due within one year	(318,249)	(307,667)	(625,916)	(482,108)
TOTAL NET ASSETS	<u>1,078,032</u>	<u>1,596,823</u>	<u>2,674,855</u>	<u>2,719,674</u>

13 RELATED PARTY TRANSACTIONS

At the year end the Charity was owed £39,313 (2007 £60,441) by NADFAS Enterprises Limited and £57,226 (2007 £59,927) by NADFAS Tours Limited.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONTINUED)

14 CAPITAL COMMITMENTS

During December 2008, NADFAS contracted to acquire a new membership database and communication system, the total value of which is £123,000, net of VAT. £41,250 of this contract sum had been invoiced prior to 31 December 2008. The balance is scheduled for payment in 2009.

There were no other contractual obligations at 31 December 2008.