

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2009**

**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 2009**

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# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

<b>Patron</b>	HRH The Duchess of Gloucester	
<b>President</b>	Mr Christopher Lloyd CVO	
<b>Vice Presidents</b>	The Rt Revd & Rt Hon Richard Chartres DD FSA, The Lord Bishop of London Mr Martin Drury CBE FSA Mrs Philippa Glanville FSA Mr Desmond Shawe-Taylor CVO	
<b>Trustees</b>		
Honorary Officers	Chairman	Mrs Susan Sellers (retired 7th May 2009) Mrs Gri Harrison (appointed 7th May 2009)
	Vice-Chairman	Mr Nigel Yallop (appointed 7th May 2009)
	Treasurer	Mr Chris Robinson
		Mrs Jacqueline Ball (appointed 7th May 2009) Mr Danny Bonwitt Mrs Barbara Hickman (retired 7th May 2009) Mrs Elizabeth Knox Mrs Jill Makepeace-Warne Mr Miles Roberts Lady Shaw-Stewart Mrs Kate Siebert (appointed 7th May 2009) Mrs Heather Spencer Mrs Janet Thomson (appointed 7th May 2009) Mr Colin Winchester
<b>Chief Executive</b>	Mr David Bell	
<b>Company Secretary</b>	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  
                            2 - 6 Cannon Street  
                            London EC4M 6YH

Auditors              Kingston Smith LLP  
                            Chartered Accountants  
                            Devonshire House  
                            60 Goswell Road  
                            London EC1M 7AD

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST DECEMBER 2009

The Trustees present their report and financial statements for the year ended 31<sup>st</sup> December 2009. This report complies with the Statement of Recommended Practice for Charities (2005). It has been prepared in accordance with the provisions of the Companies Act 2006.

#### **Objects**

The Charity has as its objects the promotion and advancement of the aesthetic education of the public in the cultivation, appreciation and study of the decorative and fine arts and the giving of aid to the preservation of the artistic heritage of the United Kingdom and other countries for the benefit of the public.

#### **Structure Governance and Management**

##### **Governing Document**

The Charity, known as "NADFAS", is a company limited by guarantee (company number 4307984) governed by its Memorandum and Articles of Association and is registered with the Charity Commission (Registration No. 1089743), and with the Office of the Scottish Charity Regulator (registration No. SC039240).

##### **Appointment of Trustees**

The maximum number of Trustees is 15 of whom twelve are elected by the voting members and three may be co-opted. Trustees retire after completing a three year term and Trustees who are not officers may not serve for more than six consecutive years. They determine policy and have ultimate responsibility for the activities of the Charity. The Trustees who served during the year are listed on page two.

A notice of election is sent out in November each year and in the last quarter of the year the *NADFAS Review* carries articles to encourage appropriately skilled and experienced members to apply. A trustee information day is held each January to explain the role and encourage interested members to put themselves forward for election.

##### **Trustee Induction and Training**

New Trustees attend an induction day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, consultation and decision making processes, the strategic plan (set out in Focus Forward), financial performance and current issues. Trustees are encouraged to attend external training where it will improve the effectiveness of their contribution. Internal training and mentoring, including joint training with senior staff members, is also arranged.

Trustees undertake an annual review of the various skills represented on the Board which is helpful as a development tool and is also used as a basis for indicating to potential candidates and voting members what skills gaps have been identified.

##### **Organisational Structure**

The Charity's governing body is the Trustee Board, all of whom are directors and who appoint one of their number as National Chairman and one as National Vice Chairman.

The Trustee Board has set up a number of committees as a means of effectively administering certain of its functions. The Audit Committee meets at least twice a year and is chaired by the Hon. Treasurer. Two further Trustees and two members recommended by the Advisory Council sit on the committee.

An Investment Committee which is also chaired by the Hon. Treasurer meets twice a year to ensure that the investment policy as defined in the Statement of Investment Principles is carried out and regularly reviewed, and also to review the performance of our investments. It reports to the Trustee Board.

A Remuneration and Conditions of Service Committee meets at least once a year to review employment policy and senior executive salaries.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

### Organisational Structure (continued)

An ad hoc Nominations Committee is formed as and when required to consider senior appointments.

The Grants Committee convenes twice a year to develop policy and to administer grants paid from the Britcher Furlong Bequest, the Patricia Fay Memorial Fund and the Zena Walker Bequest Fund. Working Groups are formed to examine specific issues as and when appropriate. For example, the Partnership Working Group is developing further strategies for the co-ordination of relationships with organisations with similar or complementary aims.

The Trustee Board convenes five times a year and a further two meetings are devoted to strategic development and governance issues.

The Chief Executive is appointed by the Trustees and is responsible for the efficient management of the Charity and delivery of agreed strategies. The Chief Executive is appraised annually through a process which allows full involvement of the Trustee Board.

The National Chairman is formally appraised once a year by the Trustee Board. Individual Trustees complete a self assessment which is discussed during an annual meeting with the Chairman.

NADFAS Area Committees are teams of representatives and advisors led by locally appointed Area Chairmen reporting to the Chief Executive. There are eighteen UK Area Committees and one European. An Overseas Area Representative is appointed by the Trustee Board and liaises with the Australian Group Associate Member ADFAS and the New Zealand Societies.

The Advisory Council comprises Area Chairmen, the Overseas Area Representative, two Lecturers' Representatives, the Volunteer Head of Training, the Volunteer Chairmen of Young Arts, Heritage Volunteering, Church Recording and New Societies and the Education Representative. The Advisory Council is the deliberative body for the organisation, providing advice and recommendations on key issues to the Trustee Board and the Chief Executive. It meets three times a year and meetings are chaired by the National Vice Chairman.

### Related Parties – Subsidiary undertakings

The Charity has two wholly owned subsidiary companies, NADFAS Enterprises Limited and NADFAS Tours Limited.

NADFAS Enterprises Limited publishes the quarterly *NADFAS Review* which is distributed to members. It also runs a mail order shop and prints the *NADFAS Directory of Lecturers*.

NADFAS Tours Limited collects commissions from travel affiliates where bookings are made by NADFAS members.

### Risk Management

In accordance with the Risk Management Policy set by the Trustee Board NADFAS maintains a Risk Register. This lists the principal risks, both internal and external, to which NADFAS is exposed and gives estimates both of the likelihood of the risk occurring and of the degree of impact that it would have on the organisation. A regular review and appraisal of risk takes place and mitigating action taken where a requirement is identified.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

### **Aims and Activities**

'Arts Education and Heritage Conservation'.

The Charity's income derives principally from the subscriptions paid by member Societies all of which formally support the charitable endeavours of the Association through a memorandum of understanding. Expenditure supports the member Societies through the provision of the directory of lecturers and through advice, training and other relevant information, for example, insurance and risk related matters; assisting with the recording and preservation of the national artistic heritage through the activities of Church Recorders and Heritage Volunteers; and encouraging artistic activities amongst young people through Young Arts. Education courses are also provided for which attendance fees are charged.

A successor to the long term strategy document Focus Forward was launched at the AGM in 2009 following consultations with the membership. Focus Forward 2 will be reviewed and updated on an annual basis.

Focus Forward 2 articulates a vision for NADFAS as a thriving membership driven organisation widely acknowledged for its valuable contribution to arts education, volunteering activities and heritage conservation.

The **strategic aims** are expressed concisely as:

**Membership:** To support and develop our member societies.

**Education:** To offer members a broad range of in-depth high quality art lectures, study days and other art educational opportunities.

**Volunteering:** To make a valued contribution to conservation and heritage through Church Recording and Heritage Volunteering.

**Young Arts:** To encourage an appreciation of the arts among young people through volunteering and financial support.

**Grants:** To maintain an active grant giving programme focused on the Decorative and Fine Arts and their conservation.

Focus Forward 2 also articulates a number of **strategic objectives**:

#### **Internal – to support our members**

1. To safeguard and promote the high standards of lectures and support for members and maintain the values of NADFAS.
2. To encourage volunteering in all disciplines and enhance co-operation at all levels.
3. To provide appropriate training at every level for all NADFAS activities.
4. To liaise throughout the organisation to support efficient and effective grant giving.

#### **External – to expand the scope of NADFAS**

5. To broaden the reach of the organisation by exploring and developing new opportunities for membership.
6. To sustain and develop partnerships that help deliver our aims.
7. To raise awareness of NADFAS, its aims and objectives

The aims and objectives provide both a readily understandable framework for guiding priority projects and ongoing management of goals.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

### **Public Benefit**

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

NADFAS delivers valuable benefit to the public through its involvement with Arts Education and Heritage Conservation.

NADFAS membership is available to all. Currently, in the UK, local Decorative and Fine Arts Societies have some 90,000 members. For a modest annual subscription, they enjoy lectures on a broad range of topics connected with the Decorative and Fine Arts. They are also able to enjoy educational visits to museums, galleries and historic houses.

NADFAS members can also become specialist volunteers and make an important contribution to heritage conservation. NADFAS Church Recorders engage in recording the details of internal furnishings in places of worship. Over 1,500 of these valuable records are now stored at the Victoria & Albert Museum and at the English Heritage's Public Archive. NADFAS Heritage Volunteers are involved with hundreds of projects nationwide and help to conserve our heritage for future generations. They contribute a huge amount of time to stewarding, cataloguing and help with conserving artefacts in museums, galleries, libraries, historic houses and National Trust properties. NADFAS, and local Societies, also support Young Arts Groups and young students through funding and support exhibitions and competitions. Young Arts volunteers help future generations develop an interest in the arts and in national heritage. Grants are awarded to some of the most promising students in specialist conservation.

### **Achievements and performance**

In pursuance of the aims outlined above, the following projects and activities were planned for, and carried out in 2009 with the exception of the internet phase of the IT project which will be launched in 2010.

Priority projects:

1. The major project for a new database system began in January 2009. The project is structured into two main phases. The first phase was to build a back of office system at NADFAS House to replace the existing lists and processes. This phase was launched in August 2009 with the successful merging of data sets into the one new system. The project provider, IRIS Systems, advised a 'bedding in' period that lasted through to October and this was an opportunity to data cleanse and refine information transferred as well as to establish new paper based routines. The society membership secretaries have been very helpful and supportive with this transition. Phase two involves the opening up of on line portals to enable local committee members access to manage and make enquiries on line. This significant advancement to systems will be thoroughly tested and piloted before being made generally available. The paper based systems will continue for those unable to go on line. The project development is both logistically sound and currently within anticipated budget. The project implementation has been slower than anticipated but the developers at IRIS Systems have been careful to timetable each step to minimise the risk of error or causing disruption to regular work commitments. It is hoped that access to local committee members will be available in spring 2010.
2. An on line version of the directory of lecturers is being developed alongside the main database project. All lecturer details and lecture titles were migrated to the new system in 2009 and the on line access will be launched in 2010. Challenges currently are to ensure that the on line version is as user friendly as possible. With so many options as to presentation, enquiry and browsing, feedback from users will be considered as part of the development.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

### Achievements and performance (continued)

3. The project to investigate where possible gaps exist and where to consider setting up new societies progressed in 2009 with the acquisition of a digital mapping system. Training and importing of existing data took place in the first half of the year and thereafter Areas were provided with their first digital maps showing boundaries and member Societies. The use of digital mapping technology is new to the staff and has involved a considerable learning curve. Other relevant data will be included on maps to facilitate discussions and profiling at Area level during 2010.
4. A number of ideas to enhance the recognition of NADFAS and its volunteers were fruitful in 2009. Volunteers agreed that face to face recognition through badges would be extremely helpful and these were distributed early in 2009 with positive feedback. For a second year running the publication of a volunteering supplement to the NADFAS Review also attracted favourable attention and enquiries about joining the volunteering activities. The volunteering activities have also established various ways of reinforcing their profile through plaques, as has the NADFAS Grants Committee.
5. A new leaflet entitled 'Welcome to NADFAS' was launched at the AGM in May. It is designed to help introduce new Society members to the full range of activities that the organisation as a whole is involved with. There has been considerable demand for the leaflet which received favourable comments.
6. The Society Support Team continued to offer guidance to Societies, especially on recruitment and succession issues.

Other notable achievements in 2009 were:

#### Education

Seven selection sessions for lecturers were held in 2009, a total of 17 new Lecturers were accredited and 10 retired from the Directory. Statistics compiled from reports from societies during the period 1 September 2008 to 31 August 2009 (based on the academic year) indicated that 89.1% (2007/8 - 90.0%) of lectures were rated as very good or above. One percent (1.0%) of lectures were rated as poor (2007/8 - 0.8%), and these have been followed up by the Education department. Induction sessions for newly accredited lecturers continued to be held twice yearly, giving a valuable insight into the ethos and workings of NADFAS and its member societies.

Representatives of over 95% of member societies (2008 - 95%) and 172 lecturers (2008 - 170) attended the Annual Directory Meeting at Kensington Town Hall in 2009 making the day a successful forum for interaction between them. Attendees were invited to complete a questionnaire covering views on aspects of the venue and content and format for the meeting. Based on the many responses, a wider consultation through Areas was made and possible alternatives considered. As a result it has been decided that the meeting in 2010 will be at a new venue, The Royal Horticultural Halls in Westminster. The new venue will allow for more delegates in a more spacious hall and feedback will be assessed in order to establish a long term solution.

#### Volunteering

NADFAS Church Recorders completed 47 records in the year and 276 members from across the UK attended six Church Recorders National Study Days. Following a successful pilot scheme working with the Churches Conservation Trust (CCT) to produce conservation statements before redundant churches undergo alterations (installation of heating or kitchen facilities) or change of use to keep the building at the heart of the community, Church Recorders have embarked on a second conservation statement with more lined up. Commencing this year all Societies were sent a certificate to display at their meetings when their Church Recorders complete a Record. The Victoria & Albert Museum's National Art Library has started to accept complete Records (text and images) in a digital format.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

#### Volunteering (continued)

Since the successful Church Trails pilot in 2007 a further 6 Trails have been created in 2009 with another 15 underway. A NADFAS Church Trail is a questionnaire designed by our members for children aged 8-12 with a corresponding answer sheet. It guides the participant round a church looking at the architecture, history and furnishings. The aim is to encourage both children and adults to explore the building, to learn about it and enjoy the experience so that they are inspired to visit other churches.

This year all Heritage Volunteers were issued with badges to wear when they are working at their host organisations. 75 new Heritage Volunteers projects commenced in 2009, one of which was a prestigious and long term project at the National Maritime Museum in London. Many volunteers continued to work on a wide range of established projects. A joint celebration hosted by the Art Fund on 14<sup>th</sup> October at the Worcester Porcelain Museum demonstrated the hard work and commitment of Heritage Volunteers who help conserve the archives there. The archives were generously donated to the museum by the Art Fund in recognition of the NADFAS 40<sup>th</sup> celebrations in 2008.

NADFAS Young Arts continued with their popular activities and reported that in 2009 NADFAS Societies gave £168,000 (£164,500 in 2008) to a range of art based projects for young people. Two new Young Arts groups were formed this year, one in Ayrshire and another in Cheshire. Young Arts provided the opportunity for NADFAS to support the government backed Gifted & Talented programme in London and in the North West. A plaque was made available for Societies to display alongside artworks they had sponsored in local schools.

The National Chairman's Young Arts competition attracted 77 entries from 6 Young Arts Groups. The Sir Trenchard Cox Scholarship offered by Art History Abroad and NADFAS, continues to receive a large number of entries each year and provides a unique opportunity for a young person to study in Italy.

#### Member Societies

Five Societies were inaugurated in 2009. In the United Kingdom they were North Buckinghamshire DFAS in January and Oxford DFAS and Fylde DFAS in October. In New Zealand, Nelson DFAS was inaugurated in February and Waikato DFAS in March.

#### Trustees' activities

Trustees began a comprehensive review of all board policies. A Development day in May 2009 was used to review long term strategy in particular relating to membership development. A further Trustee Away Day was held in October to progress key priorities for 2010 and beyond.

During the course of 2009, the National Chairman and Trustees made 28 visits to NADFAS Area meetings and 15 visits to Society and Area events. There were five Trustee Board meetings and two strategy and development days.

#### Grants

The Patricia Fay Memorial Fund provides grants to support students in arts and conservation-associated fields and arts-related projects. Its income derives from the NADFAS Gift Aid Scheme, investments and from deposits made by member Societies, the interest on which generates income for the Fund, not for the Societies. The deposits are repayable on demand and the Trustees consider that the cash resources held by the Fund are sufficient to meet this commitment. In 2005 the Fund began to benefit significantly from the Gift Aid claims made under the NADFAS scheme, in accordance with the decision of Trustees in 2003 to use the proceeds of the scheme in this way. The Fund's financial activities are recorded as one of the Charity's designated funds.

The Britcher Furlong Bequest supports projects of benefit to NADFAS members. The bequest, on the advice of the Charity Commission, is classified as a designated fund.

The NADFAS Zena Walker scholarship provides an outstanding conservation student with a £4,000 annual grant for the duration of their course. The first recipient of the scholarship, awarded in April 2007, studies at the Courtauld Institute, selected because of its excellent record in placing students into work.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

#### Grants (continued)

Grants from the Patricia Fay Memorial Fund have been awarded in accordance with the Deed governing the Fund, and from the Britcher Furlong Fund in accordance with the wishes of the original donors.

A single Grants Committee administers all applications. In 2009 Trustees awarded 30 grants (2008 - 33) from the Patricia Fay Memorial Fund, amounting to £60,480 (2008 - £56,458). 6 grants (2008 - 9) were awarded from the Britcher Furlong Fund, amounting to £3,330 (2008 - £3,252), together with one underwriting grant of £750 (2008 - nil).

#### Gift Aid scheme

The NADFAS Gift Aid scheme which invites member societies to allow NADFAS to claim Gift Aid Relief on the affiliation fee paid by individual members continued satisfactorily. Over 175 eligible member societies now participate in the scheme. After discounting the current windfall of backdated claims, we estimate a net average annual income to NADFAS of over £50,000 (at present tax rates). The net benefit of Gift Aid income goes to the Patricia Fay Memorial Fund.

#### Subsidiary undertakings

Despite difficult trading conditions, the results from subsidiaries for 2009 were ultimately encouraging.

The year commenced with Hebridean International going into administration, as a result of which NADFAS Enterprises Limited and NADFAS Tours Limited incurred bad debts of £14,915 and £4,887 respectively.

NADFAS Enterprises Limited produced four editions of the *NADFAS Review* in 2009 as scheduled and continued to offer a selection of branded goods to members through the mail order outlet. Gross advertising revenues were slightly lower in 2009 at £185,792 (2008 - £186,427), before bad debts are taken into account.

Turnover and profit from NADFAS Tours Limited held up well in 2009 despite the very difficult circumstances in the first quarter of the year. In July 2009, All Leisure Holidays Limited became a travel affiliate.

#### Area Committees

The NADFAS Area committees continued to provide valuable support for the activities of local member societies during 2009. A range of educational courses and events were held and 76 (2008 - 64) grants totalling £79,502 (2008: £37,469) were awarded to students, volunteering projects and member Societies. NADFAS Societies are autonomous but are given support by their Areas who also regularly seek their views on matters pertaining to the whole organisation. Area Chairmen also complete an annual report which is discussed by the Advisory Council. Trustees consider this feedback when making strategic decisions for the following year.

NADFAS is dependent on the work of its many dedicated volunteers throughout the organisation. Without them NADFAS could not function, and the Trustees would like to thank them all for their commitment and enthusiasm.

#### Financial Review

The audited financial statements for the year ended 31 December 2009 record a net surplus on the NADFAS General Fund of £15,727 (2008 £48,528) before transfers to designated funds. These amounted to £28,223 (2008 £39,122) resulting in a deficit before the recognised gains on the value of investments of £12,496 (2008 - £9,406 surplus). The results include those of the trading subsidiaries.

As a result of the recovery in stock markets in 2009, NADFAS recorded a net gain of £65,067 (2008 - deficit £93,017) on the general fund's portfolio of investments. The total net positive movement in Funds was therefore £52,571 (2008 - £83,611 negative movement).

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

#### **Financial Review (continued)**

Both subsidiary companies were wholly owned by the Charity and their results including bad debts are discussed above. NADFAS Tours Limited receives commission from travel affiliates on tours promoted as Tour NADFAS and on certain cruises. NADFAS Tours' total profit for the year of £39,818 (2008 - £46,648) will be passed to the Charity by Gift Aid. NADFAS Enterprises Limited recorded a loss for the year of £12,789.

#### Investment powers and working capital policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish. It is the policy of the Trustees to hold all working capital on deposit with banks and building societies pending such time as it is required to meet current expenditure. Long-term investments are held in listed pooled equity and fixed income funds, approved for use by Charities for investment purposes.

#### Reserves Policy

The Group policy on general reserve funds is to maintain a level of free reserves equivalent to nine months' undesignated revenue expenditure with an absolute minimum of six months. It is also the policy to maintain cash reserves equivalent to six months' operating expenditure. This fund is required to guard against any major unexpected event, which could necessitate a degree of expenditure which could not be met from the normal cash flow of the Charity.

The total fund balances at 31 December 2009 were £2,806,823, of which £1,676,220 relates to designated funds and a further £21,120 was represented by Tangible Fixed Assets. Including fixed asset investments that can be realised should it become necessary, the remaining £1,109,483 represents the total free reserves of the Group. Based on the budgeted operating expenditure for 2010 of £1,407,000 this represents 9.5 months of undesignated revenue expenditure, a level which is considered to be satisfactory with regard to the current assessment of the risk profile for the Group.

The reserves policy is reviewed on an annual basis.

#### Plans for future periods

Project based developments planned for 2010 involve key themes of communication, membership development and membership related services.

1. The database project outlined earlier will once again take a great deal of staff resource, particularly in the first half of the year. The launch of an on line version of the directory of lecturers forms part of this project.
2. An examination of National Membership (i.e. non society) in 2009 confirmed a need for a project to consider various changes and developments. A Trustee Working Group is working closely with the Chief Executive and will be consulting extensively through Areas before launching a revised membership offering.
3. The NADFAS web site has been a successful communication tool but means to make it more user friendly, informative and interactive will be developed in 2010. Although a new press section was included as planned in 2009, it is recognised that more could be developed to enhance awareness. The education forum will be launched as a pilot for interactive practical support and other on line facilities tested. The NADFAS Handbook is scheduled for a major update and options are being considered for producing an interactive on line version.
4. Support for Societies and their local issues will continue through 2010. Assistance from Area Committees and the Societies Support Team will form an integral part of this support.

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2009 (continued)

### **Trustees' responsibilities in relation to the financial statements**

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditors**

Kingston Smith LLP have indicated their willingness to continue in office and, in accordance with the provision of the Companies Act, it is proposed that they be re-appointed auditors for the ensuing year.

**On behalf of the Board**

31<sup>st</sup> March 2010

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

We have audited the consolidated and parent charitable company's financial statements of NADFAS for the year ended 31st December 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity 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 trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include 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 any party other than the charitable company and charitable company's trustees and members as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective Responsibilities of Trustees and Auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you under those Acts.

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 United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information provided in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's statement of account is not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 charity'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 of the state of the group's and parent charitable company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and.
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**Nicholas Brooks Senior Statutory Auditor**  
for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date:

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

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST DECEMBER 2009

	Notes	GENERAL 2009 £	DESIGNATED 2009 £	TOTAL 2009 £	TOTAL 2008 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary Income</b>					
Subscriptions and fees from members		1,028,814	22,923	1,051,737	1,018,621
Gift Aid		-	94,572	94,572	79,040
Donations, legacies and other similar income		2,699	5,778	8,477	43,047
Educational course fees and events	3	15,287	162,509	177,796	216,870
<b>Activities for generating funds</b>					
Trading subsidiaries income	2	307,031	-	307,031	333,936
Other income		-	8,508	8,508	37,179
<b>Investment Income</b>					
Bank interest and investment income		16,908	12,177	29,085	97,976
<b>Total Incoming Resources</b>		<b>1,370,739</b>	<b>306,467</b>	<b>1,677,206</b>	<b>1,826,669</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
<b>Costs of generating voluntary income</b>					
Gift Aid - Societies' administration fees		-	30,257	30,257	27,039
Education courses and events	3	-	119,879	119,879	131,182
<b>Fundraising trading</b>					
Trading subsidiaries expenditure	2	443,441	-	443,441	442,377
<b>Charitable activities</b>					
Societies and Area Grants	4	5,270	-	5,270	2,264
Education	3,4	195,026	78,528	273,554	267,024
Volunteering	3,4	240,786	26,387	267,173	274,494
Membership Services	3,4	325,883	55,940	381,823	415,619
<b>Governance costs</b>	4	144,606	-	144,606	172,701
<b>Total resources expended</b>		<b>1,355,012</b>	<b>310,991</b>	<b>1,666,003</b>	<b>1,732,700</b>
<b>Net income before transfers</b>		<b>15,727</b>	<b>(4,524)</b>	<b>11,203</b>	<b>93,969</b>
<b>Transfers</b>					
<b>Gross transfers between funds</b>	3	(28,223)	28,223	-	-
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>		<b>(12,496)</b>	<b>23,699</b>	<b>11,203</b>	<b>93,969</b>
<b>Other recognised (losses)/gains</b>					
Gain/(loss) in the value of investments:					
Realised	7	(11,549)	(1,688)	(13,237)	-
Unrealised	7	76,616	57,387	134,003	(138,788)
<b>Net movement in funds</b>		<b>52,571</b>	<b>79,398</b>	<b>131,969</b>	<b>(44,819)</b>
<b>Reconciliation of Funds</b>					
<b>Total funds brought forward</b>		<b>1,078,032</b>	<b>1,596,822</b>	<b>2,674,854</b>	<b>2,719,674</b>
<b>Total funds carried forward</b>	3,12	<b>1,130,603</b>	<b>1,676,220</b>	<b>2,806,823</b>	<b>2,674,855</b>

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 2009

	Notes	Group		Charity	
		2009 £	2008 £	2009 £	2008 £
<b>FIXED ASSETS</b>					
Property	5	755,075	758,433	755,075	758,433
Other tangible assets	6	125,583	45,177	125,583	45,177
Investments	7	857,175	648,907	892,175	683,907
		<b>1,737,833</b>	<b>1,452,517</b>	<b>1,772,833</b>	<b>1,487,517</b>
<b>CURRENT ASSETS</b>					
Stock & work in progress		19,091	29,213	-	-
Debtors	8	122,884	172,627	155,123	208,251
Cash in hand and at bank	9	1,649,208	1,646,414	1,527,970	1,526,890
		<b>1,791,183</b>	<b>1,848,254</b>	<b>1,683,093</b>	<b>1,735,141</b>
<b>CURRENT LIABILITIES</b>					
Creditors: Amounts falling due within one year	10	(722,193)	(625,916)	(664,812)	(576,301)
<b>NET CURRENT ASSETS</b>		<b>1,068,990</b>	<b>1,222,338</b>	<b>1,018,281</b>	<b>1,158,840</b>
<b>TOTAL ASSETS</b>		<b>2,806,823</b>	<b>2,674,855</b>	<b>2,791,114</b>	<b>2,646,357</b>
<b>FUNDS</b>					
<u>General:</u>					
Charitable		1,114,894	1,049,534	1,114,894	1,049,534
Non-charitable trading subsidiaries	2	15,709	28,498	-	-
<b>TOTAL GENERAL</b>		<b>1,130,603</b>	<b>1,078,032</b>	<b>1,114,894</b>	<b>1,049,534</b>
<u>Designated</u>	3	1,676,220	1,596,823	1,676,220	1,596,823
<b>TOTAL FUNDS</b>	12	<b>2,806,823</b>	<b>2,674,855</b>	<b>2,791,114</b>	<b>2,646,357</b>

The accompanying notes form part of these financial statements.

Company registration number: 4307984

Approved by the Board on 31st March 2010

GRI HARRISON  
Chairman

CHRIS ROBINSON  
Honorary Treasurer

# THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST DECEMBER 2009

#### 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 2006.

##### (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 2009 (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 2009 (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 under Gift Aid.

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	
	2009 £	2008 £	2009 £	2008 £	2009 £	2008 £
Turnover	390,394	418,088	58,954	58,159	449,348	476,247
Cost of sales	(343,050)	(364,932)	-	-	(343,050)	(364,932)
<b>Gross profit</b>	<b>47,344</b>	<b>53,156</b>	<b>58,954</b>	<b>58,159</b>	<b>106,298</b>	<b>111,315</b>
Administration Expenses	(60,378)	(44,601)	(19,174)	(12,707)	(79,552)	(57,308)
Other income	245	2,230	38	1,196	283	3,426
<b>(Loss) Profit before taxation</b>	<b>(12,789)</b>	<b>10,785</b>	<b>39,818</b>	<b>46,648</b>	<b>27,029</b>	<b>57,433</b>
Taxation	-	-	-	-	-	-
<b>(Loss) Profit after taxation</b>	<b>(12,789)</b>	<b>10,785</b>	<b>39,818</b>	<b>46,648</b>	<b>27,029</b>	<b>57,433</b>
Donation to NADFAS	-	(10,785)	(39,818)	(46,648)	(39,818)	(57,433)
<b>(Loss) Profit retained in subsidiary</b>	<b>(12,789)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,789)</b>	<b>-</b>
<b>Profit retained brought forward</b>	<b>28,498</b>	<b>28,498</b>	<b>-</b>	<b>-</b>	<b>28,498</b>	<b>28,498</b>
<b>Profit retained carried forward</b>	<b>15,709</b>	<b>28,498</b>	<b>-</b>	<b>-</b>	<b>15,709</b>	<b>28,498</b>
<b>Capital and Reserves</b>						
Profit and Loss Account	15,709	28,498	-	-	15,709	28,498
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
<b>Shareholders' Funds</b>	<b>20,709</b>	<b>33,498</b>	<b>30,000</b>	<b>30,000</b>	<b>50,709</b>	<b>63,498</b>

Turnover of NADFAS Enterprises in 2009 includes £142,317 (2008 - £142,311) 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 2009 (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
	2009	2009	2009	2009	2009	2009	2009	2009	2008
	£	£	£	£	£	£	£	£	£
<b>Incoming resources</b>									
<b>Incoming resources from generated funds</b>									
<b>Voluntary income</b>									
Subscriptions and fees from members	-	-	-	-	-	-	22,923	22,923	20,877
Gift Aid	-	94,572	-	-	-	-	-	94,572	79,040
Donations legacies and similar income	-	700	-	-	-	-	5,078	5,778	33,582
Educational course fees and events	-	-	-	-	-	-	162,509	162,509	158,850
<b>Activities for generating funds</b>									
Other income	-	-	-	-	-	-	8,508	8,508	37,179
<b>Investment income</b>									
Bank interest	964	3,623	1,420	-	-	-	491	6,498	26,785
Investment Income	-	5,679	-	-	-	-	-	5,679	6,737
<b>Total incoming resources</b>	<b>964</b>	<b>104,574</b>	<b>1,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,509</b>	<b>306,467</b>	<b>363,050</b>
<b>Resources expended</b>									
<b>Costs of generated funds</b>									
<b>Costs of generating voluntary income</b>									
Gift Aid - Societies' administration fees	-	30,257	-	-	-	-	-	30,257	27,039
Education courses and events	-	-	-	-	-	-	119,879	119,879	131,182
<b>Charitable activities</b>									
Education grants	-	52,500	4,000	-	-	-	24,028	80,528	78,043
Volunteering grants	3,330	7,980	-	-	-	-	15,077	26,387	22,227
Membership services grants	-	-	-	-	-	-	550	550	909
Prior year grants unclaimed	(2,000)	-	-	-	-	-	-	(2,000)	(5,582)
Membership services general	-	462	-	9,865	3,358	-	41,705	55,390	63,791
<b>Total resources expended</b>	<b>1,330</b>	<b>91,199</b>	<b>4,000</b>	<b>9,865</b>	<b>3,358</b>	<b>-</b>	<b>201,239</b>	<b>310,991</b>	<b>317,609</b>
<b>Net income / expenditure before transfers</b>	<b>(366)</b>	<b>13,375</b>	<b>(2,580)</b>	<b>(9,865)</b>	<b>(3,358)</b>	<b>-</b>	<b>(1,730)</b>	<b>(4,524)</b>	<b>45,441</b>
<b>Transfers</b>									
<b>Gross transfers between funds</b>									
General Fund - depreciation	-	-	-	9,865	3,358	-	-	13,223	6,334
General Fund - additional property expenditure	-	-	-	-	-	-	-	-	11,337
General Fund - provision for repairs to property	-	-	-	-	-	15,000	-	15,000	-
Transfer to Property Maintenance Fund	-	-	-	-	(3,358)	3,358	-	-	-
Provision for IT project and other equipment	-	-	-	-	-	-	-	-	21,451
<b>Net incoming resources before other recognised gains and losses</b>	<b>(366)</b>	<b>13,375</b>	<b>(2,580)</b>	<b>-</b>	<b>(3,358)</b>	<b>18,358</b>	<b>(1,730)</b>	<b>23,699</b>	<b>84,563</b>
<b>Other recognised gains</b>									
Gain (loss) in the value of investments:									
Realised	-	(375)	(1,313)	-	-	-	-	(1,688)	-
Unrealised	-	43,250	14,137	-	-	-	-	57,387	(45,771)
<b>Net movement in funds</b>	<b>(366)</b>	<b>56,250</b>	<b>10,244</b>	<b>-</b>	<b>(3,358)</b>	<b>18,358</b>	<b>(1,730)</b>	<b>79,398</b>	<b>38,792</b>
<b>Funds brought forward</b>	<b>68,655</b>	<b>314,237</b>	<b>111,919</b>	<b>190,830</b>	<b>758,433</b>	<b>19,003</b>	<b>133,745</b>	<b>1,596,822</b>	<b>1,558,031</b>
<b>Funds carried forward</b>	<b>68,289</b>	<b>370,487</b>	<b>122,163</b>	<b>190,830</b>	<b>755,075</b>	<b>37,361</b>	<b>132,015</b>	<b>1,676,220</b>	<b>1,596,823</b>
<b>Fund balances are represented by:</b>									
Property	-	-	-	-	755,075	-	-	755,075	758,433
Fixed assets	-	-	-	104,463	-	-	-	104,463	31,633
Investments	-	313,765	115,032	-	-	-	-	428,797	290,598
Current assets	69,319	308,656	7,131	86,367	-	37,361	201,908	710,742	823,826
Creditors due within one year	(1,030)	(251,934)	-	-	-	-	(69,893)	(322,857)	(307,667)
<b>Total net assets</b>	<b>68,289</b>	<b>370,487</b>	<b>122,163</b>	<b>190,830</b>	<b>755,075</b>	<b>37,361</b>	<b>132,015</b>	<b>1,676,220</b>	<b>1,596,823</b>

Designations of £9,865 (2008 £24,471) to the IT Fund, £NIL (2008 £8,339) to the Property Fund and £18,358 (2008 £6,312) 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 2009 (CONTINUED)

4 RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

	<b>Group General</b>	<b>Group General</b>
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Salaries	491,340	464,672
Pension contributions	39,489	35,213
Social Security costs	51,705	49,136
	<u>582,534</u>	<u>549,021</u>

One employee received emoluments in the range £60,000-£70,000 (2008: One). Contributions to a Defined Contribution Pension Scheme on behalf of this employee totalled £6,760.

The average monthly number of employees, including part-time staff, was 15 (2008: 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. (2008: £Nil).

c) EXPENSES REIMBURSED TO TRUSTEES

A total of £17,480 (2008: £19,812) 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 (2008: £Nil)

d) AUDITORS' FEES

	<b>Group</b>	<b>Group</b>
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Audit	13,293	12,718
Branches (Areas)	588	518
Other	710	650
	<u>14,591</u>	<u>13,886</u>

e) DEPRECIATION

Depreciation on owned assets	<u>20,545</u>	<u>17,441</u>
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f) ANALYSIS OF GRANTS

		<b>Number 2009</b>	<b>Number 2008</b>	<b>Group 2009</b>	<b>Group 2008</b>
				<b>£</b>	<b>£</b>
Designated Funds	Education Grants	45	57	80,528	72,461
	Volunteering Grants	33	44	22,387	19,227
	Membership Services Grants	6	10	2,550	3,909
General Funds	Church Recording photography	89	32	5,270	2,264
		<u>173</u>	<u>143</u>	<u>110,735</u>	<u>97,861</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2009 (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 2009	Total 2008
<b>Costs directly allocated to activities</b>							
Staff Costs	-	94,279	122,072	157,943	31,496	405,790	381,458
Staff and Volunteering expenses	-	33,283	25,442	29,183	50,874	138,782	162,834
Grants	5,270	-	-	-	200	5,470	2,264
Information Technology	-	-	216	9,514	-	9,730	5,511
Publicity and events costs	-	9,819	2,644	24,503	17,309	54,275	114,759
Legal and Professional fees (inc Audit fees)	-	-	-	978	18,148	19,126	16,991
Support costs directly allocated	-	6,609	24,332	18,534	9,530	59,005	54,919
<b>Directly allocated Total</b>	<b>5,270</b>	<b>143,990</b>	<b>174,706</b>	<b>240,655</b>	<b>127,557</b>	<b>692,178</b>	<b>738,736</b>
<b>Support costs apportioned to activities by usage</b>							
Staff Costs	-	26,570	34,403	44,513	8,876	114,362	108,488
Staff and Volunteer expenses	-	2,090	2,705	3,501	698	8,994	11,950
Information Technology	-	4,816	6,235	8,067	1,609	20,727	20,130
Publicity and Event costs	-	665	861	1,114	222	2,862	2,712
General Office	-	1,541	1,996	2,582	515	6,634	4,201
Premises & Insurance	-	11,718	15,172	19,360	3,915	50,165	63,290
Stationery, Printing, Postage and Telephone	-	1,923	2,490	3,222	642	8,277	11,159
Depreciation	-	1,713	2,218	2,869	572	7,372	12,048
<b>Support costs total</b>	<b>-</b>	<b>51,036</b>	<b>66,080</b>	<b>85,228</b>	<b>17,049</b>	<b>219,393</b>	<b>233,978</b>
<b>Resources Expended Total</b>	<b>5,270</b>	<b>195,026</b>	<b>240,786</b>	<b>325,883</b>	<b>144,606</b>	<b>911,571</b>	<b>972,714</b>

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2009 (CONTINUED)**

**5 PROPERTY**

	<b>Group &amp; Charity Freehold Property</b>
	<b>£</b>
Cost	
As at 1st January and at 31st December 2009	<u>783,904</u>
Depreciation	
As at 1st January 2009	25,471
Charge for period	3,358
As at 31st December 2009	<u>28,829</u>
Net book value:	
31st December 2009	<u>755,075</u>
31st December 2008	<u>758,433</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 £1,436,135. The Trustees have reviewed the condition of the freehold property and believe that the net book value of £755,075 represents at least the market value.

**6 OTHER TANGIBLE FIXED ASSETS**

	<b>Group &amp; Charity Furniture, Fixtures &amp; Equipment</b>
	<b>£</b>
Cost	
As at 1st January 2009	141,606
Additions	97,593
Disposals	(4,249)
As at 31st December 2009	<u>234,950</u>
Depreciation	
As at 1st January 2009	96,429
Charge for period	17,187
Disposals	(4,249)
As at 31st December 2009	<u>109,367</u>
Net Book Value	
31st December 2009	<u>125,583</u>
31st December 2008	<u>45,177</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2009 (CONTINUED)

7 INVESTMENTS

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
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	96,504	88,676	96,504	88,676
CAF Equity UK Growth 30,458.99 units	-	32,317	-	32,317
JP Morgan UK Equity 18,701.63 units	37,250	31,417	37,250	31,417
M&G Charifund 2,126 units	22,795	20,935	22,795	20,935
Schroder Charity Equity Fund 17,649.40 units	43,647	35,060	43,647	35,060
Grupo Santander (formerly Abbey National plc) 100 ordinary shares	1,027	620	1,027	620
RCM (Allianz Global) Overseas Equity 8,678.98 accumulation units (2008, 9,447.26 units)	192,152	173,829	192,152	173,829
RCM (Allianz Global) Overseas Equity 1,615.57 income units	29,856	-	29,856	-
Legal & General CAF UK Equitrack Fund 294,418.852 accumulation units (2008, 139,105.76 units)	191,284	69,857	191,284	69,857
Legal & General CAF UK Equitrack Fund 76,783.644 income units	42,538	-	42,538	-
<u>Fixed Interest Funds:</u>				
CCLA COIF Fixed Interest 22,133.750 units (2008, 28,239.48 units)	27,953	36,990	27,953	36,990
JP Morgan UK Bonds 12,873.16 units (2008, 17,777.90 units)	15,077	21,834	15,077	21,834
M&G Charibond 11,751.008 units (2008, 16,900 units)	14,360	20,128	14,360	20,128
Legal & General Gilt Trust 67,028.843 accumulation units, (2008, 76,982.30 units)	100,141	117,244	100,141	117,244
Legal & General Gilt Trust 43,429.569 income units	42,591	-	42,591	-
	<b>857,175</b>	<b>648,907</b>	<b>892,175</b>	<b>683,907</b>

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Reconciliation of movement in investments:				
As at 1st January 2009	648,907	683,195	683,907	718,195
Additions	271,631	104,500	271,631	104,500
Disposals at open market value (proceeds £185,817)	(197,366)	-	(197,366)	-
Net increase/(decrease) arising on revaluations in the period	134,003	(138,788)	134,003	(138,788)
Market value at 31st December 2009	<b>857,175</b>	<b>648,907</b>	<b>892,175</b>	<b>683,907</b>
Historical cost at 31st December 2009	<b>732,672</b>	<b>658,407</b>	<b>693,407</b>	<b>693,407</b>
Reconciliation of movement in unrealised gains/losses in investments, excluding subsidiaries:				
Unrealised (losses)/gains at 1st January 2009	(9,500)	129,288	(9,500)	129,288
Net increase/(decrease) arising on revaluations in the period	134,003	(138,788)	134,003	(138,788)
Unrealised gain/(loss) as at 31st December 2009	<b>124,503</b>	<b>(9,500)</b>	<b>124,503</b>	<b>(9,500)</b>

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2009 (CONTINUED)**

**8 DEBTORS**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	30,473	56,841	-	-
NADFAS Enterprises Limited	-	-	11,560	39,313
NADFAS Tours Limited	-	-	51,152	57,226
Other debtors	21,971	24,377	21,971	24,377
Prepayments & accrued income	70,440	91,409	70,440	87,335
	<u>122,884</u>	<u>172,627</u>	<u>155,123</u>	<u>208,251</u>

**9 CASH AT BANK AND IN HAND**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
General Funds	992,531	897,687	871,293	778,163
Designated Funds:				
Patricia Fay Memorial Fund	289,277	325,557	289,277	325,557
Britcher Furlong Bequest	68,819	70,312	68,819	70,312
Zena Walker Bequest	5,811	24,212	5,811	24,212
Property Fund	-	-	-	-
Maintenance Fund	37,361	19,003	37,361	19,003
IT Fund	60,160	111,760	60,160	111,760
Area Funds	195,249	197,883	195,249	197,883
	<u>1,649,208</u>	<u>1,646,414</u>	<u>1,527,970</u>	<u>1,526,890</u>

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2009 (CONTINUED)**

**10 CREDITORS: amounts falling due within one year**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
General Funds:				
Trade creditors	28,267	69,228	8,723	58,530
Other creditors	18,664	12,148	18,664	11,436
Other taxes and social security costs	21,023	22,480	14,210	13,248
Accruals	21,484	17,506	15,278	12,219
Deferred income	309,898	196,711	285,080	173,025
Designated Funds:				
Loans - Patricia Fay Memorial Fund	219,500	218,500	219,500	218,500
Accruals	41,014	21,605	41,014	21,605
Area Funds - Deferred Income	62,343	67,738	62,343	67,738
	<u>722,193</u>	<u>625,916</u>	<u>664,812</u>	<u>576,301</u>

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

**11 DEFERRED INCOME**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
As at 1 January 2009	264,449	157,562	240,763	125,747
Amounts deferred during the period	372,241	264,449	347,423	240,763
Amounts released during the period	(264,449)	(157,562)	(240,763)	(125,747)
Balances carried forward as at 31 December 2009	<u>372,241</u>	<u>264,449</u>	<u>347,423</u>	<u>240,763</u>

Charity deferred income at 31 December 2009 includes Affiliation Fees of £283,783 (2008: £172,914) and study courses and events fees of £1,297 (2008: £111) received in advance. Group deferred income in addition includes lecturers subscriptions of £24,818 (2008: £23,686) and Area events income of £62,343 (2008: £67,738) received in advance.

**12 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	General	Designated	Total	Total
	2009 £	2009 £	2009 £	2008 £
Property and other tangible assets	21,120	859,538	880,658	851,047
Investments	428,378	428,797	857,175	648,907
Current assets	1,080,441	710,742	1,791,183	1,800,817
Creditors: amounts falling due within one year	(399,336)	(322,857)	(722,193)	(625,916)
<b>TOTAL NET ASSETS</b>	<u>1,130,603</u>	<u>1,676,220</u>	<u>2,806,823</u>	<u>2,674,855</u>

**13 RELATED PARTY TRANSACTIONS**

At the year end the Charity was owed £11,560 (2008 £39,313) by NADFAS Enterprises Limited and £51,152 (2008 £57,226) by NADFAS Tours Limited.

**THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2009 (CONTINUED)**

**14 CAPITAL COMMITMENTS**

During December 2008, NADFAS contracted to acquire a new membership database and communication system, the total value of which is £126,000, net of VAT. £59,900 of this contract sum had been invoiced prior to 31 December 2009. The balance is scheduled for payment in 2010.

There were no other contractual obligations at 31 December 2009.