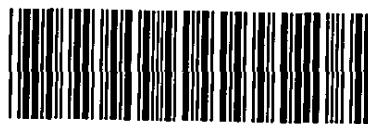


THE FINE ART TRADE GUILD
ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2011

CONTENTS	Page
Message from the Master of the Guild	3
Chief Executive's Report	4-9
Standing Committees	4
Directors of the Fine Art Trade Guild	10
Report of the Court	11
Auditors' report	12
Income and expenditure account	13
Balance sheet	14
Notes to the accounts	15-18



MESSAGE FROM THE MASTER OF THE GUILD

2011 lived up to expectations. As predicted it was a financially tough year for the Guild and one where Louise and her team had to go through a bedding-in period because of staff turnover and shortages. Throughout these changes there has been however, some blue sky appearing.

The problems of the economy have hit all businesses in one way or another. The Guild is no different. Unexpectedly steep falls in advertising and membership revenue have shown us that we can no longer rely on traditional income streams to deliver some of the programmes we are committed to for our members. This has made the Executive take a long look at the way funding is generated and how we move forward with confidence to represent our membership effectively in the future.

Some new initiatives have already been put in place. Our first Meet Learn Celebrate Art and Framing Convention had a successful launch last year and we hope that we have learned some lessons in not only improving the event and building on its roots, but also making our awards gala a truly significant and relevant part of our industry calendar.

Other new initiatives in standards are progressing very well and the coming year will see innovation in, amongst other things, mount board standards. The Guild will build on its position as a world leader in standards.

I reconvened the Marketing Committee in the last year in order to come up with a more member-focussed approach to how the Fine Art Trade Guild markets itself, and to develop education and training programmes for members. Progress has been disappointingly slow so far but the new era of pragmatism I mentioned in my report last year is very much alive and much positive work has been done in the last year to lay the foundations for a successful future.

Those of you who use the Guild website will have noticed that it has had a major facelift in the last few months. It does look much more like - and functions much more like - a real website now! Members may not realise what a complex project this is, though there is no doubt that it fell far short of the all-singing, all-dancing website the Guild should have expected in the first place. It still has a way to go, but work is well in hand to soon complete and deliver the top quality industry web presence the membership rightfully demands.

I'm pleased that there are some new faces coming forward on to the Board of Directors of the Guild representing many different aspects of our art trade, including picture framing, publishing, gallery and artists. It can only bode well for the future well-being of our trade association.

Maxwell Robert
Master of the Guild

REPORT FROM THE CHIEF EXECUTIVE OF THE FINE ART TRADE GUILD 2011 IN FOCUS

KEY FACTS

- The Fine Art Trade Guild was formed in 1910
- Trade Association for the art and framing industry, 837 members (907 in 2010) at year end plus 143 artists and 200 framers affiliated through their societies, which are Guild members; total 1180
- Prime purpose to inform, promote and assist development of businesses and practitioners within the art and framing sector
- Publishers of Art Business Today magazine, GCF Study guides and other publications
- The Fine Art Trade Guild has members in 28 countries, primarily in the United Kingdom and Ireland, also in Australia, Austria, Azerbaijan, Belgium, Canada, China, Cyprus, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Malta, Netherlands, New Zealand, Nigeria, Norway, Poland, Russia, South Africa, Sweden, Switzerland, United Arab Emirates and USA
- 12% of Guild Membership is from outside the UK, up 2% on 2010
- www.fineart.co.uk received 19,751 unique visitors in the year Interrogation of the visitor statistics suggests that both businesses and consumers are using the Guild website to source goods and services from Guild members

Members commit to a clear Code of Ethics and include:

- multi-national to sole trader businesses, retailers, manufacturers, exporters and importers
- artists and artists' agents, photographers, fine art printers and publishers
- fine art printer equipment suppliers
- art materials manufacturers and distributors
- art materials shops
- framing material and equipment manufacturers and distributors
- bespoke and contract framers
- frame and art restorers and conservators
- galleries, contemporary art dealers and corporate art businesses
- trainers to the art and framing industry
- computer software and hardware suppliers to the sector
- organisers of related trade and consumer exhibitions, web and internet service providers
- e-commerce businesses relating to the art and framing industry

Active participation of members is through specialist committees, branch events, seminars, Court of the Guild (Board of Directors) and trade shows These are promoted and reported in www.fineart.co.uk and Guild publications

Standing Committees 2011

Two standing committees were active throughout 2011, the Framers Committee and the Fine Art Committee A new Art and Framing Business Committee (previously Marketing Committee) was convened in October 2011, its remit is to develop education, training and marketing programmes to assist members and the Guild achieve their strategic objectives. Details of the Committee members and responsibilities are on the Guild website

Thank you to our Sponsors - We couldn't have achieved what we have without the generous sponsorship of **Arqadia, Art & Frame, Besso Ltd, Crescent Cardboard, Daler-Rowney, DeMontfort, Designline Systems, F.G. Conzen, Glass & Mirror, Gunnar, Hahnemühle, F. W. Holroyd, Framers Corner, Innova Art, International Graphics, Larson-Juhl New Zealand, LION Art Service, LION Picture Framing Supplies, Peterboro Cardboards, Profile Magazine, D & J Simons & Sons, Slater Harrison, Spring Fair International, Wessex Pictures and Wizard**. Also all those framers who provided their premises and expertise for GCF testing and training, the **Framers Committee members** who provide the Technical Advice Line and the willing volunteers who work on standards development, contribute to Art Business Today, organise branch events and support the Guild in myriad ways

Affiliations in 2011

Member of the Genesis Initiative, which is affiliated to UEAPME
ISO 9001.2008 – eighth assessment June 2011

Staff as at 31st December 2011

Staff all multi-function and support members and each others' core roles. The staff operated below optimum strength throughout 2011. At 31st December the Membership Secretary position was vacant, recruitment in progress Job titles and key responsibilities

Louise Hay - Chief Executive (General management, strategy, budget, publisher, export services, media, international and external relations, Awards Event management)

Annabelle Ruston - Managing Editor (p/t) (editorial and production strategy, commissioning, publications management, editorial) Responsible for Art Business Today

Debra Doherty - Sales & Marketing Executive (advertising sales, member recruitment, subscription sales)

Moiria Sanders - Office Manager / Print Standards and GCF Programmes Manager (information service, reception, print testing & standards implementation, book sales, GCF Programme management, Awards Event)

Nii-Tackie Tackie - Book-keeper & Administration Support

PERFORMANCE INDICATORS 2011 AND ACHIEVEMENTS

To improve the prestige, status and credibility of the Fine Art Trade Guild and its members in a sustainable way

- New Terms and Conditions for Non-Executive Directors were agreed by the Court in April 2011, as well as a guidance document on confidentiality at Court meetings, in line with the Master's aim to open up the governance of the Guild whilst implementing best practise
- Members of the newly convened Art and Framing Business Committee considered how the Guild might engage professional PR to raise the profile of art and framing with consumers
- Chief Executive and GCF Programme Manager worked with members and journalists on placing press releases in various international trade publications and local media

The Guild short term strategy must move the Fine Art Trade Guild forward into profit in this present economic climate

- The budget for 2011 was set to return a small profit; higher than expected reductions in membership and advertising incomes meant this target was not reached, however other programmes and cost savings exceeded expectations so the loss was minimised. The reduction of the trading deficit by £65,049 (89.8% reduction) at the same time as increasing the book value of the property is nevertheless considered to be an extremely encouraging trend. Total income including Guild programmes and publications was down 5.1% on 2010 at £313,592
- The Guild continues to enjoy the confidence of the bank and auditors

The internationalization of the Fine Art Trade Guild worldwide, through web and exhibition exposure in particular, is a key building block

- Chief Executive invited to Austria for the European Mouldings Manufacturer Association conference to discuss ways we could work together – negotiations continue in 2012
- Attendance at West Coast Art and Frame, Las Vegas, FrameArt Expo, Milan and Art Fair Europe, Nuremberg
- New programmes in development toward the end of 2011 will enable the Guild to provide more relevant services to international members

Delivery of the Guild strategy by continuing, improving or establishing:

I. Centre of Professional Excellence

- The Guild organised technical and business seminars at the Spring Fair International, most of them well attended, it gained financial support for the development of the 2012 Seminar Programme
- The Framers Committee Members continue to provide a Technical Help Line for members
- The inaugural Meet Learn Celebrate Art and Framing Convention was held in June comprising trade event, a packed seminar programme and our traditional awards dinner dance and presentations, the event was not as well attended as anticipated but plans are in place to build up numbers in 2012
- GCF is now available in Dutch, Russian and German as well as English. In November Members' Warden Martin Harrold met with the Norwegian framing association to discuss future cooperation on GCF
- www.fineart.co.uk Whilst the information on the site remains relevant a complete redesign was started in October for launch early 2012 To be achieved without additional expenditure
- The Guildspeak forum for Guild members enabled networking and technical support among peers

II. Regional Delivery

- Following the implementation of new Terms and Conditions for Non-Executive Directors many branch representatives have opted to become Regional Organisers, rather than Branch Masters. This new position is not intended to usurp the position of Branch Master but to supplement it. Regional Organisers appointed in 2011 are Johanna Cruickshank and Suzanne Appleshaw, jointly Wessex Region (Hampshire), Cath Friend, Cotswolds Region (Berkshire and Wiltshire), Louise Hill, West Midlands Region. Martyn Holehouse continues in post as Regional Organiser for the South West.
- Branch events were held in 12 regions. Attendance numbered from 5-26 companies represented.

III. Publishing Excellence

- Art Business Today published January, April, June, August and October with content supporting the Guild's strategic aims and objectives, to serve the whole industry.
- Art Business Today back articles dating back to 2004 are on-line, fully searchable as an added Membership benefit.
- Distribution and pagination was maintained in 2011 but the Guild's publishing income was adversely affected by severely diminished advertising revenue.
- The number of advertisers in 2011 decreased by 20%, year on year.

IV. Consumer Awareness Campaign

- Three specialist books selling through online book stores as well as the Guild enhance the reputation of the Guild and its members to artists, craftspeople and people contemplating starting up a new business.
- Framed for Good leaflet continues to provide great opportunities to increase consumer awareness of good quality framing and lead people to their local professional framer.
- Two other leaflets, Code of Ethics and Buying Art Prints have been available in 2011.
- Staff continued to try to get media cover; Awards winners gained valuable local publicity.
- Art and Framing Business Committee convened in October to assist staff in raising consumer awareness of the art and framing industry, the benefits of choosing Guild members as well as the Fine Art Trade Guild.
- The Guild website continues to service consumer needs, with the busiest content pages being 'Find a Member' and then 'Buying Art, Prints and Framing'.

V. Membership Development

- Retention levels varied across the year and averaged 79%. Over half of memberships that were not renewed were ascribed to closure of business for various reasons or inability to afford fees. There was an 8% (4.3% in 2010) reduction in total Guild membership numbers.
- Membership development was not achieved. Membership income declined by 7.2% and membership at 837 showed a net loss of 70 members. New member recruitment was down from 113 to 77 in the year.
- Our long standing Membership Manager left us in September and a permanent replacement was not recruited until January 2012, resulting in lower than expected retention in the last quarter, in spite of best efforts of the staff team.
- Membership Income of £171,057 was £13,248 down on the previous year (7.2%).
- The website has begun to bring in a few new members, it does not yet achieve full potential but the redesign for launch early 2012 will make the site easier to navigate and new content will be more attractive to potential members.

VI. Archive Preservation and Accessibility

- The archive materials have been maintained, with vital preservation work completed.
- Reorganisation of the Guild office has created a more accessible and attractive archive.

which is open to visitors to the premises

- Two researchers have utilised the Guild archive during 2011, one of whom is writing a thesis on the Printsellers Association, yet to be published
- Guild staff members were able to visit the National Portrait Gallery archive where the archivist there shared materials pertinent to the Printsellers Association and the Guild
- The volunteer Guild archivist, John Hughes, has made the print listing archive available to the National Portrait Gallery for research purposes. We thank John for his continued support

PERFORMANCE INDICATORS 2012

- The current strategy is confirmed, to improve the prestige, status and credibility of the Fine Art Trade Guild and its members
- The Guild's short term strategy must move the Fine Art Trade Guild forward into profit
- The internationalisation of the Fine Art Trade Guild worldwide, cost effectively through web and exhibition exposure in particular, is a key building block

Delivery of the Guild strategy should be by continuing, improving or establishing:

Profit Generation

- This continues to be the key focus in 2012 and will be delivered through continued staff cost savings combined with new income generating initiatives
- The Meet, Learn, Celebrate extension to the awards weekend will again offer training and table top exhibition opportunities, and nominal fees to attend workshops will generate a modest income for the first time in 2012
- Members' Warden Martin Harrold worked with the Mountboard Standards Group and the Executive to develop a new mountboard logos programme which will provide a valuable additional benefit to members as well as bringing in annual licensing fees
- There is an outline plan in development for a new Inkjet Print Quality Assurance programme to supplement the existing and well respected Guild Print Standards
- Staff members continue to work with our lettings agent to seek tenants for unit 3A at the Guild office

Membership Development

- Staff will prioritise marketing and sales activity and all members are encouraged to bring their suppliers and trade customers into Guild membership to support staff efforts.
- Members really are the best advocates for the benefits of membership and staff will be working with the new Art and Framing Business Committee (AFBC) to bring the benefits that members really value to the fore
- After many years in development we will finally see e-commerce in 2012, which will bring added on-line recruitment and renewal facilities
- The new Membership Secretary will be working with existing and new affiliate providers to strengthen the Guild's business benefit offerings

Consumer Awareness

- The Guild website remains central to plans for raising the profile of art and framing and of Guild members with consumers, however the AFBC will consider how we might achieve an effective PR campaign on limited funds
- Website redevelopment will help the Guild and its members achieve the potential from our asset Guild directors are committed to motivate members to help the Guild make this even more effective by enhancing their own profiles and improving links and usage
- Members who need assistance can download online resources to improve their own profiles

When the CEO attends Branch Meetings, she demonstrates how Members can enhance their profile. E-Mango will provide support at Meet Learn Celebrate

- Retailer and framer members are encouraged to increase their use of the available leaflets to raise consumer awareness
- A redesigned online member benefits directory makes it easy for members to find and download shell press releases, marketing ideas and other resources

Publishing Excellence

- The Guild is committed to continuing to publish five excellent issues of Art Business Today
- In 2012 we will regularise publishing dates in line with industry norms
- We thank those Guild members and the wider trade who show their commitment by choosing Art Business Today for their advertising to the trade worldwide. We are committed to working with our partners to ensure optimum reach and effectiveness
- In phase two of the website development we will work on building online subscriptions to increase our readership and thereby benefit advertisers with additional exposure
- Guild Editor in Chief Annabel Ruston will work on a new Conservation Framing handbook as well as a series of e-books utilising some excellent ABT editorial

Centre of Professional Excellence

- The Guild's pioneering work in establishing standards is unprecedented and continues to be unique, respected and developed
- Standards development, international harmonisation and the propagation of the GCF programme worldwide will continue in 2012 thanks to the financial support of the manufacturers and distributors, and the many volunteer committee members who give their time for the benefit of all in the industry

Regional Delivery

- This is under review by the Court of the Guild.
- Branch events are considered to be an essential, cost effective membership benefit by the average 12.5% of members who currently take advantage of this programme.
- An analysis of branch events, undertaken by Court Member Jenny Isaacson identified that the structure works best in small areas, where larger numbers of members live in close proximity to Branch venues
- A way forward for large Regions might be to try county-based activities for their Members, by appointing a number of Regional Organisers
- In areas without representation staff members will initiate events to try to stimulate activity and support and encourage member engagement.

- **Archive Preservation and Accessibility**

No expenditure is planned for 2012, the archive will be kept accessible and preserved in its current condition as far as possible

The Budget for 2012 projects a small profit in spite of allowing for a worst case scenario for membership and advertising incomes.

Our thanks to our professional, committed, and enthusiastic staff team, the Court of the Guild, and Committee Members for volunteering their time and expertise throughout 2011. Thanks also to the many other Fine Art Trade Guild Members who have contributed to the culture of excellence we strive to maintain.

Louise Hay
Chief Executive

DIRECTORS OF THE FINE ART TRADE GUILD AS AT 31 DECEMBER 2011

Officers:

Maxwell Roberts (Master), Headrow Gallery
Martin Harrold, (Members' Warden), LION Picture Framing Supplies
Peter Hayton GCF, (Master's Warden), Towngate and Designline Systems
Paul Cumberland (Treasurer), Birds, Birds, Birds

Elected Members of the Court

Brian Bogie, Slater Harrison
Ian Dixon GCF, Ian Dixon Bespoke Framer
Mary Evans GCF Adv, Applegarth Framing
Fiona Haddon, Haddon Galleries
Lynne Holehouse, Seventh Wave Gallery
Jenny Isaacson GCF, Top Mount Framing
Mal Reynolds GCF Adv, Harlequin Frames
Graham Miller, Arqadia Limited

Branch Masters

East Midlands – Andy Rossiter GCF
London – Paul Webb GCF
Northern Ireland – John McDermott GCF
Republic of Ireland – Aidan Lynch GCF
Scotland South – Stephen Banks GCF
South East – Deborah Colam

(Company details on www.fineart.co.uk and latest copy of Art Business Today)

Chief Executive and Company Secretary:

Louise Hay

Bankers:

Unity Trust Bank plc
9 Brindley Place
Birmingham B1 2HB

Auditors:

Chantrey Vellacott, DFK LLP
Russell Square House
10/12 Russell Square
London WC1B 5LF

Insurance Brokers:

Besso Limited
8-11 Crescent
London EC3N 2LY

Solicitors:

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

Company Number 2942955

THE FINE ART TRADE GUILD
REPORT OF THE COURT FOR THE YEAR ENDED 31 December 2011

The Court presents their report and accounts for the year ended 31 December 2011. The Guild is limited by guarantee, not having a share capital.

RESULTS FOR THE YEAR

The deficit for the year amounted to £7,324 (2010 £72,373 deficit)

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the Guild are promoting, informing and developing the picture industry. The New Zealand Branch and the Republic of Ireland Branch operate outside the UK, all others are within the UK.

A review of the activities of the Guild is set out in the Master's Report on page 3 and the Chief Executive's Report on pages 4 through to 7, which includes a strategy for activities in 2012. The auditor is satisfied with the strategic plan. There have been no events since the balance sheet date which materially affect the position of the Guild. Future developments are expected to be in line with current activity, practices and strategy.

MEMBERS OF THE COURT

The Members of the Court act as the directors of the Guild.

The Members of the Court are as set out on page 10. Fiona Haddon, Peter Hayton, Lynne Holehouse and Jenny Isaacson were elected at the AGM on 6th April 2011, Paul Webb was elected 5th May and John McDermott 4th August. Christrose Sumner resigned 5th January, Malcolm Baxter 12th January, Peter Whistler 24th February, Paul Taylor 25th March, Mike Bisby, Len Brook, Steve Burke, Roy Rowlands, Colin Ruffell, Peter Thompson and Lawrence Walmsley all resigned at the AGM on 6th April, Pierre Lafrance 21st April, Martin Burbidge 8th May, Michael Masters 1st August and Kim Smith 8th November.

STATEMENT OF COURT'S RESPONSIBILITIES

The Court is responsible for preparing the Report of the Court and the financial statements in accordance with applicable law and regulations.

Company law requires the Court (who are the directors for the purposes of Company Law) to prepare financial statements for each financial year. Under that law the Court has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Guild and of the deficit of the Guild for that period having regard to the substance of transactions. In preparing these financial statements, the Court is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Guild will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Guild and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Guild and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Court is also responsible for the maintenance and integrity of the corporate and financial information included on the Guild's website.

Confirmation of Disclosure to Auditors

The Court hereby confirms that each person who is a Member of the Court at the date of approval of this report has

- (a) taken all steps that he ought to have taken as a Member of the Court in order to make himself aware of any relevant audit information, and
- (b) communicated all such information to the auditors.

Accordingly, so far as the Court is aware, there is no "relevant audit information" of which the Guild's auditors are not aware.

AUDITOR

A resolution proposing the re-appointment of Chantrey Vellacott DFK LLP as auditors will be put to the Members at the Annual General Meeting.

Approved by the Court on 25th April 2012 and signed on their behalf by


Louise Hay
SECRETARY

THE FINE ART TRADE GUILD

Independent Auditors' Report to the Members of The Fine Art Trade Guild

We have audited the financial statements of Fine Art Trade Guild for the year ended 31 December 2011 which comprise the Income and Expenditure Account, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (UK GAAP).

This report is made solely to the Guild's Members in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Guild's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Guild and the Guild's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Court of the Guild and auditors

The Court's responsibilities for preparing 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 Court's Responsibilities.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Guild's affairs as at 31 December 2011 and of its deficit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Chantrey Vellacott DFK LLP
Philip Clark (Senior Statutory Auditor)

for and on behalf of CHANTREY VELLACOTT DFK LLP

Chartered Accountants and Statutory Auditor

London

16 May 2012

THE FINE ART TRADE GUILD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 December 2011

	Notes	2011 £	2010 £
INCOME			
MEMBERSHIP SUBSCRIPTIONS	1(c)	171,057	184,305
SELF FINANCING ACTIVITIES			
Publications	3	64,338	76,552
Members' services		6,214	9,961
Exhibitions		27,215	20,092
Awards weekend		26,795	29,353
Website development		854	3,363
		<u>125,416</u>	<u>139,321</u>
Insurance commission		5,700	5,358
Rental income		11,307	150
		<u>313,480</u>	<u>329,134</u>
EXPENDITURE			
Self financing activities	3	67,501	79,214
Staff costs	4	177,600	238,919
Depreciation	6	7,137	8,488
Administrative and office expenses	5	68,566	74,901
		<u>320,804</u>	<u>401,522</u>
OPERATING DEFICIT		(7,324)	(72,388)
INVESTMENT INCOME			
Interest receivable		-	15
		<u>-</u>	<u>15</u>
DEFICIT FOR THE YEAR		<u>(7,324)</u>	<u>(72,373)</u>

All recognised gains and losses are included in the above income and expenditure account

THE FINE ART TRADE GUILD

BALANCE SHEET

AS AT 31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	275,814	263,723
CURRENT ASSETS			
Stock		200	200
Debtors	7	44,762	37,792
Cash at bank and in hand		1,071	-
		<u>46,033</u>	<u>37,992</u>
CREDITORS amounts falling due within one year	8	144,286	116,830
		<u></u>	<u></u>
NET CURRENT ASSETS		(98,253)	(78,838)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>177,561</u>	<u>184,885</u>
ACCUMULATED FUND			
1 January 2011		184,885	257,258
Deficit for the year		<u>(7,324)</u>	<u>(72,373)</u>
		<u>177,561</u>	<u>184,885</u>

Approved by the Court on 25th April 2012
and signed on their behalf by

Maxwell Roberts

- Master

Louise Hay

- Chief Executive

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2011

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention

(b) Income And Expenditure Account

Due to the nature of the Guild's activities, an income and expenditure account is prepared and not a profit and loss account in the format required by the Companies Act 2006

(c) Membership subscriptions

Membership subscriptions represent, after adjusting for prepayments, cash received during the year relating to subscriptions commencing during the accounting period

(d) Depreciation

Depreciation is provided at rates calculated to write down the cost of fixed assets to their estimated residual values over the period of their anticipated useful lives. The lives used are as follows

Freehold property	- Buildings	50 years
	- Land	Not depreciated
Office furniture, fittings and equipment		3 to 5 years

(e) Cash flow statement

The Guild has taken advantage of the provisions of Financial Reporting Standard No 1 and has not prepared a cash flow statement

2 COMPANY LIMITED BY GUARANTEE

The Fine Art Trade Guild is a company limited by Guarantee, the Guarantors being every Member of the Guild whose liability is limited to one pound

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2011

(continued)

3 SELF FINANCING ACTIVITIES

	Income £	Expenditure £	2011 NET £	Income £	Expenditure £	2010 NET £
Publications						
Advertising	53,080	-	53,080	65,207	-	65,207
ABT subscriptions	6,686	-	6,686	7,171	-	7,171
Other	4,572	-	4,572	4,174	-	4,174
Costs	-	(26,946)	(26,946)	-	(23,378)	(23,378)
	<u>64,338</u>	<u>(26,946)</u>	<u>37,392</u>	<u>76,552</u>	<u>(23,378)</u>	<u>53,174</u>
Members services						
Guild Commended Framer programme	5,827	(2,151)	3,676	9,905	(5,479)	4,426
Contracted member services	-	(4,050)	(4,050)	-	(4,050)	(4,050)
Guild products	387	-	387	56	-	56
Branch costs	-	(138)	(138)	-	(8)	(8)
	<u>6,214</u>	<u>(6,339)</u>	<u>(125)</u>	<u>9,961</u>	<u>(9,537)</u>	<u>424</u>
Exhibitions						
Overseas	5,202	(4,055)	1,147	6,350	(7,777)	(1,427)
UK/Eire	22,013	(3,966)	18,047	13,742	(4,296)	9,446
	<u>27,215</u>	<u>(8,021)</u>	<u>19,194</u>	<u>20,092</u>	<u>(12,073)</u>	<u>8,019</u>
Awards weekend	<u>26,795</u>	<u>(20,604)</u>	<u>6,191</u>	<u>29,353</u>	<u>(28,999)</u>	<u>354</u>
Website development	<u>854</u>	<u>(5,591)</u>	<u>(4,737)</u>	<u>3,363</u>	<u>(5,227)</u>	<u>(1,770)</u>
	<u>125,416</u>	<u>(67,501)</u>	<u>57,915</u>	<u>139,321</u>	<u>(79,214)</u>	<u>60,201</u>

4 STAFF COSTS AND EMPLOYEES

	2011 £	2010 £
Wages and salaries	156,767	205,943
Social security costs	15,429	21,911
Other pension costs	5,404	11,065
	<u>177,600</u>	<u>238,919</u>

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2011

(continued)

The average number of employees was 6 of which 1 was part-time (2010 6 of which 1 was part-time)

The Members of the Court receive no remuneration for their services to the Guild

The Chief Executive received £48,437 including pension contributions (2010 £68,695) The outgoing Managing Director also received £533 during the year

5	ADMINISTRATIVE AND OFFICE EXPENSES	2011 £	2010 £
	Administrative expenses		
	Recruitment, advertising and public relations	2,660	2,572
	Committee travel expenses	3,650	3,202
	Travelling and entertaining	1,856	1,676
	Audit fees	3,850	3,783
	Legal and professional fees	13,529	15,649
	Printing and stationery	4,101	4,186
	Postage and telephone	5,524	5,290
	Bank charges	5,762	3,299
	Sundries	499	588
	Other Staff	2,267	4,619
	Bad Debt	(113)	(1,361)
		<u>43,585</u>	<u>43,503</u>
	Office expenses		
	Rates and service charges	6,684	14,289
	Repairs and maintenance	10,873	14,685
	Software and software support	1,017	936
	Light and heat	1,362	1,488
	Insurance	5,045	-
		<u>24,981</u>	<u>31,398</u>
		<u>68,566</u>	<u>74,901</u>
6	TANGIBLE FIXED ASSETS		
		Freehold property £	Office furniture, fittings & equipment £ Total £
	Cost		
	1 January 2011	346,800	166,704
	Additions	15,626	3,602
		<u>362,426</u>	<u>170,306</u>
	At 31 December 2011	<u>362,426</u>	<u>170,306</u>
	Depreciation		
	1 January 2011	86,333	163,448
	Charge for the year	4,312	2,825
		<u>90,645</u>	<u>166,273</u>
	At 31 December 2011	<u>90,645</u>	<u>166,273</u>
	Net book value		
	At 31 December 2011	<u>271,781</u>	<u>4,033</u>
	At 31 December 2010	<u>260,467</u>	<u>3,256</u>

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2011
(continued)

7	DEBTORS	2011 £	2010 £
	Trade debtors	27,333	25,577
	Prepayments	17,429	12,165
	Other debtors	-	50
		<u>44,762</u>	<u>37,792</u>
8	CREDITORS amounts falling due within one year	2011 £	2010 £
	Overdraft	87,251	61,913
	Subscriptions received in advance	10,499	17,524
	Trade creditors	14,796	9,813
	Taxation and social security	13,921	14,769
	Accruals and deferred income	15,086	12,604
	Corporation tax	(43)	(43)
	Other	2,776	250
		<u>144,286</u>	<u>116,830</u>
9	CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
	There were no capital commitments at 31 December 2011 (2010 £Nil)		
	There were no contingent liabilities at 31 December 2011 (2010 £Nil)		
10	RELATED PARTIES		
	During the year, Committee Members received £1,643 (2010 £1,739) in relation to expenses incurred in relation to their duties		