

Company Number: 2942955

**THE FINE ART TRADE GUILD
ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2010**

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MESSAGE FROM THE MASTER OF THE GUILD

The Fine Art Trade Guild celebrated its centenary in June 2010, an exceptional achievement matched by very few other trade associations, many of whom were forced to amalgamate as a result of the harsh economic environment in the first decade of the new millennium. I believe the members should be proud of the way the Fine Art Trade Guild supported them throughout 2010.

The year took its toll as the Guild had to make use of a sizeable overdraft facility for the first time in its history. Severely fallen advertising revenue, a few years of contracting membership and a reluctance to increase membership fees at a time businesses were already experiencing their own financial strain, were all factors. Even the new website did not bring in the anticipated advertising revenue. However, significant savings in the year ahead from natural turnover of staff, together with some exciting new initiatives, will help the Guild balance its books and return to a sounder basis of trading.

For the first time, the Fine Art Trade Guild will host an education and demonstration event in conjunction with its magnificent Art and Framing Industry Awards event, enabling the trade to Meet, Learn & Celebrate in the space of one action-packed weekend. Networking is the keystone of good business and I hope to meet many of you there.

On 4th January 2011, Christrose Sumner retired as Managing Director after fourteen years. The professionalism of the Guild, its staff, its service to members and its standing worldwide all improved dramatically during her tenure. In 1997 the Guild launched its first website. Two subsequent upgrades, the most recent a complex platform with great flexibility fulfilling the detailed members' brief, have kept the site up with the times. This was challenging to achieve within budget and took persistence but the team's efforts paid off. The Guild has already reached over 100,000 unique visitors with its information on the industry, its standards and its promotion of members' goods and services.

As publisher of Art Business Today, Rosie was the driving force behind its quality and authority, ensuring that the Guild and ABT encompassed new technologies. Information has been made available to members and to the public as never before. I would like the Fine Art Trade Guild to join me in thanking Rosie for her passionate advocacy of the industry, pushing up standards through consensus, and ensuring professional recognition throughout the world. We wish her a much-deserved happy, healthy and long retirement.

I am delighted to welcome Louise Hay to her new role as CEO of the Guild. Louise is already well known in our industry, having worked for the Guild for more than eight years, managing the Export Services and the GCF Programme, as well as our very successful Awards Programme. I have worked with Louise and am very confident in her ability to not only lead her team of staff effectively, but to work with the Executive and membership to make the Guild truly representative of the Art and Picture Framing trade. I look forward to helping her take on the prime challenge of returning the Fine Art Trade Guild to surplus.

Maxwell Roberts
Master of the Guild

**JOINT REPORT FROM THE RETIRING MANAGING DIRECTOR
AND NEW CHIEF EXECUTIVE OF THE FINE ART TRADE GUILD
2010 IN FOCUS**

KEY FACTS

- Trade Association for the art and framing industry, 907 members (947, 2009) plus 132 artists affiliated through their societies, which are Guild members, total 1039
- Prime purpose: to inform, promote and assist development of businesses and practitioners within the art and framing sector
- The Fine Art Trade Guild was formed in 1910, the Guild and GCF brands were formally registered in Europe during this centenary year
- The Fine Art Trade Guild has Members in 29 countries, primarily in the United Kingdom and Ireland, also in Australia, Austria, Belgium, Canada, China, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Kenya, Malaysia, Netherlands, New Zealand, Nigeria, Norway, Russia, Saudi Arabia, Slovenia, South Africa, Sweden, Switzerland, United Arab Emirates, USA and Vietnam This is holding steady from 2009
- 10% Guild Membership is from outside the UK, holding steady from 2009
- In 2010 the Fine Art Trade Guild recruited 7% less members and retention levels declined in most months, resulting in a 4.3% (8% in 2009) reduction in total Guild membership numbers
- Membership Income of £184,304 was £10,832 down on the previous year (5.2%)
- The Guild website received 100,000 unique visitors in its first 500 days, by the end of 2010 this stood at 112,000, an accelerating rate of growth The pattern of use shows both business and consumers are using the Guild website to source goods and services from Guild members The website code was put into Escrow in November 2010, to protect the Guild's investment

Members commit to a clear Code of Ethics and include:

- multi-national to sole trader businesses, retail to manufacturers, exporters and importers
- artists and artists' agents, 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, 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, local events, seminars, Court of the Guild (Board of Directors), trade shows These are promoted and reported in www.fineart.co.uk and Guild publications

Standing Committees 2010 – Two standing committees were active in 2010, the Framers Committee and the Fine Art committee 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 Europe, Daler-Rowney, DeMontfort, Designline Systems, F.G. Conzen, Glass & Mirror, Gunnar, Hahnemühle, F. W. Holroyd, Innova Art, International Graphics, Larson-Juhl New Zealand, LION Art Service (Russia), LION Picture Framing Supplies, Peterboro Cardboards, Profile Magazine, D & J Simons & Sons, Slater Harrison, Spring Fair International, Wessex Pictures and 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 and support the Guild in a myriad ways.

Affiliations in 2010:

Member of the Genesis Initiative, which is affiliated to UEAPME
British Government Accredited Trade Organisation
ISO 9001 2008 – seventh assessment June 2010

Staff as at 31st December 2010:

Staff all multi-function and support Members and each others' core roles. The staff operated below optimum strength throughout 2010. The Executive acknowledged the need for an additional person to maintain service at the established high levels but this proved not financially feasible. Job titles and key responsibilities:

Christrose Sumner - Managing Director

Louise Hay - Chief Executive Designate

Annabelle Ruston - Managing Editor (p/t)

Samantha Marshall - Membership Manager

Debra Doherty - Sales Executive

Moiria Sanders - Office Manager

Staff from 5th January 2011:

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

Samantha Marshall - Membership Manager (*manager of membership retention and recruitment, Guild Web Master*)

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

Debra Doherty - Sales Executive (*advertising sales, Member recruitment, subscription sales*)

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

Nii-Tackie Tackie - Book-keeper & Administration Support

Performance Indicators 2010 and Achievements:

- To improve the prestige, status and credibility of the Fine Art Trade Guild and its Members in a sustainable way
 - Consumer and trade information website hub in continuous development, no additional development costs, work incorporated into staff responsibilities FACTS(fine Art Care & Treatment Standards) - www.artfacts.org absorbed into Guild website, ongoing project sponsored by Conservation By Design
 - The Crew Report carried important information on fading and damage, maintenance and cleaning to those responsible for art collections on board seagoing vessels
 - The Artists Guide to Selling Work., Starting Up a Gallery and Frame Shop and Framing and Presenting Textile Art rated five star reviews by Amazon
 - Show me the Monet – Guild assisted with recruitment of artists for this BBC competition
- The Guild short term strategy must move the Fine Art Trade Guild forward into profit in this present economic climate
 - Staff renegotiated contracts to achieve savings in 2010 extending into the future in the region of £4622
- The internationalisation of the Fine Art Trade Guild worldwide – through web and exhibition exposure in particular, is a key building block
 - Guild is an Accredited Trade Organisation of UKT (UK Trade & Investment) International discussions of standards took place at WCAF (West Coast Art & Frame) in the USA and at QuadrumSACA, Italy, Europe's pre-eminent art and framing exhibition in 2010
 - 10% Guild Membership is outside UK, providing strong trading partners and promoting Guild standards and ethics
 - Antons, a leading distributor of framing materials and equipment in Australia, used a limited edition print celebrating the Guild centenary (Australian version of the artwork by Caroline Woodward) for their national framing competition

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

I Centre of Professional Excellence

- *The Guild organised an increased number of technical and business seminars at the Spring Fair International, most of them well attended, it gained financial support for the development of the 2011 Seminar Programme*
- *An updated GCF Study Guide was published in early 2011, thanks to the Framers Committee in conjunction with Louise Hay*
- *The Dutch version of the GCF Study Guide was launched in Holland in September, thanks to Art & Frame, the Dutch association for framers, who undertook translation, Kai van Uffellen for proofing and to Guild staff for their support of this work GCF is now available in Dutch, Russian and German as well as English*
- *The Guidance for use of Tapes & Adhesives in picture framing was published as a consultative document in October 2010, after many years of work and expertise contributed by volunteers, staff and business Thanks especially to Barry Leveton GCF Adv*
- *www.fineart.co.uk The Guild continued its comprehensive information delivery on its website, facilitating access to trainers, providing a fully searchable directory on-line, plus export support and other information for members, the wider trade and potential start ups*
- *The Framers Committee Members continue to provide a Technical Help Line for members*
- *The Guildspeak forum for Guild members enabled networking and technical support among peers*

II Regional Delivery

- *14 Branches, headed up by Branch Masters, delivered a range of events throughout the year, with attendance varying from 4 companies to 25 companies The Guild Framing Competition, leading to Regional and National awards, was judged locally in many regions An average of 11% of members take advantage of these networking opportunities but only 28 out of 46 ran, due to lack of support Details of subjects covered, speakers, sponsors and venue providers are regularly reported in Art Business Today and the support of those who facilitate these events is greatly appreciated*

III Publishing Excellence

- *Art Business Today published January, April, June, August and October, with content supporting the Guild 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 2010 but the Guild's publishing income is adversely affected by severely diminished advertising revenue*
- *The number of advertisers in 2010 was increased by 9%, year on year and Art Business Today excelled over its competition on all counts throughout the year*

IV Consumer Awareness Campaign

- *Three specialist books selling through 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 (total so far of 175,000 in process of distribution) 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 2010 and need more use by members to optimise effective consumer awareness building*
- *Staff continued to try to get media cover, Awards winners gained valuable local publicity and staff gained double page spread in The Crew Report*
- *Downloadable shell press releases and other aids were made available on-line for members' use*

V Membership Development

- *Retention levels declined across the year and averaged 83%*
- *Membership development was not achieved Membership income declined by 5.2% and membership at 907 showed a net loss of 40 members New member recruitment was down from 98 to 91 in the year Staff focus on managing the overdraft facility and the continued pressure from earlier staff reductions compounded with low visitor numbers at the Spring Fair Birmingham and*

disappointing response rates from the membership marketing activity that was done, meant that membership sales did not reach targets

- The website has begun to bring in a few new members, it does not yet achieve full potential The advent of e-commerce in 2010 did not materialise and so could not bring added on-line recruitment and renewal facilities*

VI Archive Preservation and Accessibility

- The archive has been maintained in its present form, with vital preservation work completed and the archive kept accessible*
- Two researchers have visited the Guild to interrogate the archive during 2010*

- The Budget for 2010 and the focus of staff activity planned for a deficit, ending the year -£72,373 against a projected loss of -£78,575

Performance Indicators 2011:

- 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 retirement of the long-serving, managing director gives an opportunity to make staff cost savings of approximately £30,000, taking her replacement and the Chief Executive's replacement into account The extraordinary expenditure demanded in 2010, to secure the Guild Brand and website, among other things, will not need to be incurred again
- 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

- I Profit Generation – *This continues to be the key focus in 2011 and will be delivered through staff cost savings, the absence of the need for extraordinary expenditure, and at least one new income generating initiative the Meet, Learn, Celebrate extension to the awards weekend will offer training and table top exhibition opportunities*
- II 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 The advent of e-commerce in 2011 should bring added on-line recruitment and renewal facilities*
- III Consumer Awareness – *The website is a tremendous 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 Retailer and framer members are urged to increase their use of the available leaflets to raise consumer awareness Members who need assistance can download shell press releases and other aids to improving their own profiles*
- IV Publishing Excellence – *Although this is of lower priority, the Guild is committed to continuing to publish five excellent issues of Art Business Today Guild members and the wider trade need to show their commitment to this 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*
- V Centre of Professional Excellence – *Standards development, international harmonisation and the propagation of the GCF programme worldwide can only continue in 2011 with the financial support of the manufacturers and distributors whose profits are increased by this activity*
- VI Regional Delivery – *This is under review by the Court of the Guild, considered to be an essential, cost effective membership benefit by those who currently take advantage of the events this programme is failing to deliver any benefit to most members To date, regional activity has not been expected to generate revenue Due to proposed changes to the terms and conditions for directors the following have been elected as Regional Organisers for their branch as an interim position
South West Branch - Martyn Holehouse elected October 2010
Northern Ireland Branch - John McDermott GCF elected October 2010*

VII *Archive Preservation and Accessibility – no expenditure is planned for 2010, the archive will be kept accessible and preserved in its current condition as far as possible*

- The Budget for 2011 projects a small profit in spite of allowing for a worst case scenario and the Executive Board was obliged to consider radical measures in addition to the revised strategic priorities, including new initiatives to generate income, undemanding of staff time. The asset of the Guild offices enables a further year focusing on trading out of the current position whilst maintaining high levels of service and benefits dedicated to the art and framing industry. Whilst early indicators for 2011 are not good, in particular a decline in January ABT advertising spend, we anticipate an improvement in membership numbers thanks in part to a reported increase in gallery and framing start ups in the industry.

Our thanks to our professional, committed, and enthusiastic staff team and to the Court of the Guild and Committee Members for volunteering their time and expertise throughout 2009. Thanks also to the many other Fine Art Trade Guild Members who have contributed to the culture of excellence we strive to maintain.

Christrose Sumner, Managing Director to 4th January 2011

Louise Hay, Chief Executive from 1st January 2011

DIRECTORS OF THE FINE ART TRADE GUILD AS AT 31 DECEMBER 2010

Officers:

Maxwell Roberts, (Master), Headrow Gallery
Martin Harrold, (Members' Warden), LION Picture Framing Supplies
Colin Ruffell, (Master's Warden), Crabfish Ltd
Paul Cumberland (Treasurer), Birds, Birds, Birds
Mal Reynolds GCF Adv, (Co-optee) Harlequin Frames

Elected Members of the Court

Brian Bogie, Slater Harrison
Len Brook, Alpha 1 Marketing Ltd
Ian Dixon GCF, Ian Dixon GCF Bespoke Framers
Mary Evans GCF Adv, Applegarth Framing
Lynne Holehouse, artist & Seventh Wave Gallery
Roy Rowlands GCF, Hedgehog Art and Framing
Steve Burke, Arqadia Limited
Paul Taylor, Aquarelle Publishing Ltd
Peter Thompson, Ashworth & Thompson Limited
Lawrence Walmsley, International Graphics Walmsley GmbH

Branch Masters

Cotswolds – Peter Whistler GCF	East Midlands – Andy Rossiter GCF
London – Malcolm Baxter GCF	New Zealand – Michael Masters GCF Adv
North East – Mike Bisby	Scotland North – Martin Burbridge GCF
Scotland South – Stephen Banks GCF	South East – Deborah Colam
Wessex – Pierre Lafrance	West Midlands – Kim Smith GCF
Republic of Ireland – Aidan Lynch GCF	

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

Managing Director and Company Secretary:

Christrose Sumner

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 2010

The Court present their report and accounts for the year ended 31 December 2010. The Guild is limited by guarantee, not having a share capital.

RESULTS FOR THE YEAR

The deficit for the year amounted to £72,373 (2009 £71,584 deficit)

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the Guild are promoting, informing and developing the picture industry.

A review of the activities of the Guild is set out in the Master's Report on page 3 and the Managing Director's Report on pages 4 through to 8 inclusive.

There have been no events since the balance sheet date which materially affect the position of the Guild. The New Zealand Branch and the Republic of Ireland Branch operate outside the UK, all others are within the UK. 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 9. Aidan Lynch GCF was elected 7th March, Brian Bogie, Ian Dixon GCF, Martin Harrold and Lynn Holehouse were elected at the AGM on 24th March 2010, Deborah Colam was elected 7th July.

Rolf Lawson GCF resigned 3rd March, Peter Hayton GCF, Paula McConkey, Steven McKee GCF, Barry Leveton GCF and Lee Tandy all stood down at the AGM 24th March, Paul Giddens resigned 30th May, Jackie Armstrong resigned 7th July and Richard Broome resigned 20th October.

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

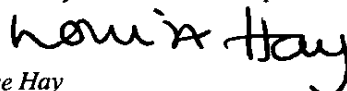
- (a) taken all steps that he ought to have taken as a Member of the Court in order to make himself aware of any relevant audit information, and
- (b) communicated all such information to the auditors.

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 6th April 2011 and signed on their behalf by


Louise Hay
SECRETARY

DIRECTORS OF THE FINE ART TRADE GUILD AS AT 31 DECEMBER 2010

Officers:

Maxwell Roberts, (Master), Headrow Gallery
Martin Harrold, (Members' Warden), LION Picture Framing Supplies
Colin Ruffell, (Master's Warden), Crabfish Ltd
Paul Cumberland (Treasurer), Birds, Birds, Birds

Elected Members of the Court

Brian Bogie, Slater Harrison
Len Brook, Alpha 1 Marketing Ltd
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Ian Dixon GCF, Ian Dixon GCF Bespoke Framers
Mary Evans GCF Adv, Applegarth Framing
Lynne Holehouse, artist & Seventh Wave Gallery
Mal Reynolds GCF Adv, Harlequin Frames (& *Executive Co-Optee*)
Roy Rowlands GCF, Hedgehog Art and Framing
Paul Taylor, Aquarelle Publishing Ltd
Peter Thompson, Ashworth & Thompson Limited
Lawrence Walmsley, International Graphics Walmsley GmbH

Branch Masters

Cotswolds – Peter Whistler GCF	East Midlands – Andy Rossiter GCF
London – Malcolm Baxter GCF	New Zealand – Michael Masters GCF Adv
North East – Mike Bisby	Scotland North – Martin Burbridge GCF
Scotland South – Stephen Banks GCF	South East – Deborah Colam
Wessex – Pierre Lafrance	West Midlands – Kim Smith GCF
Republic of Ireland – Aidan Lynch GCF	

(Company details on www.fineart.co.uk)

Managing Director and Company Secretary:

Christrose Sumner

Bankers:

Unity Trust Bank plc
9 Brundley 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

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 2010 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 2010 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

14 April 2011

THE FINE ART TRADE GUILD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 December 2010

	Notes	2010 £	2009 £
INCOME			
MEMBERSHIP SUBSCRIPTIONS	1(c)	184,305	195,138
SELF FINANCING ACTIVITIES			
Publications	3	76,552	85,774
Members' services		9,961	11,967
Exhibitions		20,092	21,324
Awards weekend		29,353	29,850
Website Development		3,363	21,086
		<u>139,321</u>	<u>170,001</u>
Insurance commission		5,358	5,775
Rental Income		<u>150</u>	<u>-</u>
		329,134	370,914
EXPENDITURE			
Self financing activities	3	79,214	106,744
Staff costs	4	238,919	239,564
Depreciation	6	8,488	7,023
Administrative and office expenses	5	74,901	89,270
		<u>401,522</u>	<u>442,601</u>
OPERATING DEFICIT		(72,388)	(71,687)
INVESTMENT INCOME			
Interest receivable		15	103
Taxation thereon	10	<u>-</u>	<u>-</u>
		15	103
DEFICIT FOR THE YEAR		<u>(72,373)</u>	<u>(71,584)</u>

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

THE FINE ART TRADE GUILD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 December 2010

	Notes	2010 £	2009 £
INCOME			
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DEFICIT FOR THE YEAR		<u><u>(72,373)</u></u>	<u><u>(71,584)</u></u>

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THE FINE ART TRADE GUILD


BALANCE SHEET

AS AT 31 December 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	263,723	269,452
CURRENT ASSETS			
Stock		200	200
Debtors	7	37,792	35,079
Cash at bank and in hand		-	4,607
		<u>37,992</u>	<u>113,652</u>
CREDITORS amounts falling due within one year	8	<u>116,830</u>	<u>52,080</u>
NET CURRENT ASSETS		(78,838)	52,410
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>184,885</u>	<u>328,885</u>
ACCUMULATED FUND			
1 January 2010		257,258	328,885
Deficit for the year		(72,373)	(71,627)
		<u>184,885</u>	<u>257,258</u>

Approved by the Court on 6 April 2011
and signed on their behalf by

Maxwell Roberts - Master



Company number 2942955

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2010

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 2010

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

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THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2010

(continued)

3 SELF FINANCING ACTIVITIES

	Income £	Expenditure £	2010 NET £	Income £	Expenditure £	2009 NET £
Publications						
Advertising	65,207	-	65,207	72,365	-	72,365
ABT subscriptions	7,171	-	7,171	6,817	-	6,817
Other	4,174	-	4,174	6,592	-	6,592
Costs	-	(23,378)	(23,378)	-	(29,116)	(29,116)
	<u>76,552</u>	<u>(23,378)</u>	<u>53,174</u>	<u>85,774</u>	<u>(29,116)</u>	<u>56,658</u>
Members services						
Guild Commended Framer programme	9,905	(5,479)	4,426	8,847	(4,960)	3,887
Consumer awareness programme	-	-	-	2,500	(1,340)	1,160
Contracted member services	-	(4,050)	(4,050)	-	(11,125)	(11,125)
Guild products	56	-	56	620	-	620
Branch costs	-	(8)	(8)	-	-	-
	<u>9,961</u>	<u>(9,537)</u>	<u>424</u>	<u>11,967</u>	<u>(17,425)</u>	<u>(5,458)</u>
Exhibitions						
Overseas	6,350	(7,777)	(1,427)	6,824	(7,336)	(512)
UK/Eire	13,742	(4,296)	9,446	14,500	(3,555)	10,945
	<u>20,092</u>	<u>(12,073)</u>	<u>8,019</u>	<u>21,324</u>	<u>(10,891)</u>	<u>10,433</u>
Awards weekend	<u>29,353</u>	<u>(28,999)</u>	<u>354</u>	<u>29,850</u>	<u>(23,600)</u>	<u>6,250</u>
Website development	<u>3,363</u>	<u>(5,227)</u>	<u>(1,770)</u>	<u>21,086</u>	<u>(25,712)</u>	<u>(4,626)</u>
	<u>139,321</u>	<u>(79,214)</u>	<u>60,201</u>	<u>170,001</u>	<u>(106,744)</u>	<u>63,257</u>

4 STAFF COSTS AND EMPLOYEES

	2010 £	2009 £
Wages and salaries	205,943	206,811
Social security costs	21,911	21,617
Other pension costs	11,065	11,136
	<u>238,919</u>	<u>239,564</u>

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2010

(continued)

The average number of employees was 6 of which 1 was part-time (2009 6 of which 1 was part-time)
The Members of the Court receive no remuneration for their services to the Guild
The Managing Director received £68,695 including pension contributions (2009 £67,158)

5	ADMINISTRATIVE AND OFFICE EXPENSES	2010 £		2009 £
	Administrative expenses			
	Recruitment, advertising and public relations	2,572	1,668	
	Committee travel expenses	3,202	3,410	
	Travelling and entertaining	1,676	1,613	
	Audit fees	3,783	3,883	
	Legal and professional fees	15,649	20,647	
	Printing and stationery	4,186	4,305	
	Postage and telephone	5,290	6,268	
	Bank charges	3,299	3,349	
	Sundries	588	542	
	Other Staff	4,619	3,130	
	Bad Debt	(1,361)	-	
		43,503		48,815
	Office expenses			
	Rates and service charges	14,289	14,638	
	Repairs and maintenance	14,685	22,525	
	Software and software support	936	1,200	
	Light and heat	1,488	2,092	
		31,398		40,455
		74,901		89,270
6	TANGIBLE FIXED ASSETS			
		Freehold property £	Office furniture & equipment £	Total £
	Cost			
	1 January 2010	346,800	163,945	510,745
	Additions	-	2,759	2,759
	At 31 December 2010	346,800	166,704	513,504
	Depreciation			
	1 January 2010	82,333	158,960	241,293
	Charge for the year	4,000	4,488	8,488
	At 31 December 2010	86,333	163,448	249,781
	Net book value			
	At 31 December 2010	260,467	3,256	263,723
	At 31 December 2009	268,467	4,985	269,452

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2010
(continued)

7	DEBTORS	2010 £	2009 £
	Trade debtors	25,577	22,875
	Prepayments	12,165	12,180
	Other debtors	50	24
		<u>37,792</u>	<u>35,079</u>
8	CREDITORS amounts falling due within one year	2010 £	2009 £
	Overdraft	61,913	-
	Subscriptions received in advance	17,524	15,991
	Trade creditors	9,813	11,989
	Taxation and social security	14,769	9,977
	Accruals and deferred income	12,604	14,101
	Corporation tax	(43)	22
	Other	250	-
		<u>116,830</u>	<u>61,242</u>

The bank overdraft is secured by a legal charge and debenture dated 23 July 2010 over the Guild's freehold property

9 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments at 31 December 2010 (2009 £Nil)

There were no contingent liabilities at 31 December 2010 (2009 £Nil)

10 TAXATION

Taxation is payable only in respect of interest receivable Provision is made at current rates (20%) for all corporation tax arising

(a) Analysis of charge in period

	2010 £
Current tax	
UK corporation tax on profits of the period	-
	<u>-</u>
Total current tax charge (note 10(b))	<u>-</u>

THE FINE ART TRADE GUILD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 December 2010
(continued)

(b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20%)
The differences are explained below

	2010 £
Interest Income before tax	15
Tax on profit on ordinary activities at standard CT rate of 20%	-
	<hr/>
Current tax charge for the period (note 10(a))	-
	<hr/>

11 RELATED PARTIES

During the year, Committee Members received £1,739 (2009 £2,028) in relation to expenses incurred in relation to their duties