

**Company number: 02942955**

# **THE FINE ART TRADE GUILD**

**(Limited by Guarantee)**

## **Report and Financial Statements**

**31 December 2016**



**THE FINE ART TRADE GUILD**  
**ANNUAL REPORT AND ACCOUNTS**  
**31 DECEMBER 2016**

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## MESSAGE FROM THE MASTER OF THE GUILD

It doesn't seem like a year since I presented my last report to you – time has passed very quickly indeed, probably because we have all been really busy doing lots of work on your behalf over the last twelve months.

A year ago, I mentioned that amongst other things, legacy thinking and attitudes along with changes to the industry after the last recession meant that there were still challenging times to come for us. To a certain extent, we still face these challenges, and most likely will for a few years to come.

However change is most definitely on the cards, and we are once again seeing positives starting to show. I'd like to give you an oversight of what has been happening over the past twelve months, but before I do a quick word on how your Guild is managed.

There are around 30 professional people who volunteer their time to work for you. These volunteers serve either as Directors on the Boards, or on one of the sub-committees – The Framing Standards and Qualifications Committee or the Fine Art Committee. Some work as both Directors and sub-committee members. These volunteers all have their own full-time occupation, either as a framer, or an artist, or a printer, or they work for and represent one of our industry suppliers.

This team of volunteers is currently assisted by four full time members of staff, who are working under a huge amount of pressure, since we are running our admin with two people short. This means that certain things might not be done just as quickly as we'd sometimes like.

With that in mind, here's a short rundown of how we are beginning to address the situation, and turning negatives into positives.

In conjunction with the committee members, we've had a close look at changing how the sub-committees work. They are becoming more autonomous and we're also looking to recruit a few more dynamic and committed people onto them. New recruits will have to fill a specific need for the committee, and any applicant will now be asked to complete a skills audit document which will help identify individual strengths. The importance of volunteers to the long-term survival of the Guild cannot be understated. We need people who have a passion for what they do, and who are willing to commit their time, and literally on occasion roll up their sleeves and get dirty. And all this for no financial return!

We've been examining our admin systems and how they work. Speaking with our team in the office, we've begun to identify areas where layers of administrative tasks have evolved over many years. We are now intent on putting into place new workflows which allow us to work as a smarter and leaner organisation. Over the coming months and years we will gradually strip out unnecessary work practice, allowing us to be far more efficient.

In the past twelve months, we've hosted a number of training courses and events at your Guild office. This space is now providing a small but consistent revenue stream, and we fully intend for this to continue.

At trade events, we want to promote member-to-member conversations, so whenever it is possible, the Guild Directors rather than our hard-pressed office staff will be attending events like the Art & Framing Roadshows. We think there's nothing better than true peer-to-peer networking, and this is a further commitment to your Guild from the Directors.

We want to begin encouraging Guild members to use other members, be it artists seeking out framers who may in turn give preferential rates, framers seeking out suppliers – you know the kind of thing. We are a close family of professionals in a rather small industry. Why wouldn't we want to help each other if we can?

Both ArtSure and Original Art Register continue to grow. Take up has been slower than expected, but their respective project leaders continue to develop and refine, making them even more attractive to potential users.

The Certified Framer qualification with CPD continues to grow. We are currently experiencing a large uptake in China, where the esteem which goes with being both qualified and a member of the Fine Art Trade Guild, London is becoming increasingly accepted.

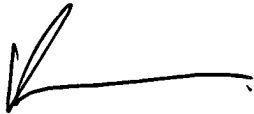
## MESSAGE FROM THE MASTER OF THE GUILD (CONTINUED)

Our Member's Warden Jo Palmer, MD Louise Hay and ArtSure project champion Martin Harrold attended the West Coast Art and Framing convention in Las Vegas at the start of 2017 and attracted new members from the USA.

Reversing the trend of the past decade, we are now witnessing a small but sustained growth in membership numbers, and there has been a drop in member turnover (churn). This is encouraging, since it means that many people agree with our belief that our Guild is still relevant to our industry. Supplier members are becoming more proactive than in the past and those who are proclaiming their pride at being Guild members will no doubt help this perception continue.

We have had lots of positives in the last year, but that shouldn't allow us to think that the hard work is done. Successful businesses are fluid, constantly changing, and your team of Directors along with our staff sometimes have a hard job keeping up! However I will once again state that I am confident in the ability of the current team of Directors and staff to do your Guild proud and keep it relevant in a world of change.

In conclusion, I'd like to thank everyone at the office, all of our Directors and Committee chairs and Committee members who give their time so freely. A huge thank you also must go to our supplier members who continue to sponsor and support so much of what we do. To all of you, it is much appreciated by all of us who are members. And finally, thanks to all of you as members for trusting us to work for you and ensure that there is a legacy for future generations who choose to work in our industry.



Ian Kenny GCF (APF)  
**Master of the Guild**

Date: 13 May 2017

# **REPORT FROM THE MANAGING DIRECTOR OF THE FINE ART TRADE GUILD 2016 IN FOCUS**

## **Key facts:**

- The Fine Art Trade Guild was formed in 1910.
- Trade Association for the art and framing industry, 720 members (697 in 2015) at year end plus 80 artists and 200 framers affiliated through their societies, which are Guild members; total 1000.
- Prime purpose, encouraging and promoting the best in art and framing.
- Publishers of Art + Framing Today magazine, GCF Study guides and other publications.
- The Fine Art Trade Guild has members in 34 (31 in 2015) countries, primarily in the United Kingdom and Ireland but also in Australia, Austria, Azerbaijan, Belgium, Canada, China, Cyprus, Denmark, France, Germany, Greece, Hong Kong, Iceland, India, Italy, Latvia, Lithuania, Malaysia, Malta, Mauritius, Netherlands, New Zealand, Norway, Poland, Russia, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, and the USA.
- 17% of Guild Membership is from outside the UK (17% in 2015).
- [www.fineart.co.uk](http://www.fineart.co.uk) received 92,042 unique visitors in the year (92,066 in 2015) with page views of 333,928 (342,727 in 2015). Visitor statistics suggest that both businesses and consumers are using the Guild website to source goods and services from Guild members as the 'Find a Member' page is the most visited after the home page as well as information on valuations, and buying art, prints and framing.

## **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, fine art 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; and
- 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](http://www.fineart.co.uk) and Guild publications.

## **Standing Committees 2016**

The Executive Committee met five times in 2016 to carry on the business of the Guild. Their support and hard work are invaluable to the running of the Guild and we owe them all a debt of gratitude for their endeavours.

Two standing committees were active throughout 2016, the Framing Standards and Qualifications Committee and the Fine Art Committee. Details of the Committee members and responsibilities are on the Guild website.

## **REPORT FROM THE MANAGING DIRECTOR OF THE FINE ART TRADE GUILD 2016 IN FOCUS (CONTINUED)**

Thank you to our Sponsors - we couldn't have achieved what we have without the generous sponsorship of: **Arqadia, Besso Ltd, Conservation By Design, Daler-Rowney, Designline Systems, F. W. Holroyd, Framers Corner, Larson-Juhl New Zealand, LION Art Service, LION Picture Framing Supplies, Russian School of Picture Framing, D & J Simons & Sons, Slater Harrison, Tru Vue, Valiani, Wessex Pictures and Wizard.** Also all those framers who provided their premises and expertise for GCF testing and training, the Framing Standards and Qualifications Committee who provide the Technical Advice Line, the Fine Art Committee who organise the Guild Artists Exhibition and assist with Social Media, and the willing volunteers who work on standards development, contribute to Art Business Today, organise branch events and generally support the Guild.

### **Affiliations in 2016:**

Member of the Genesis Initiative, which is affiliated to UEAPME;  
ISO 9001:2008; and  
Louise Hay is a member of the Institute of Association Management.

### **Staff as at 31 December 2016:**

Staff all multi-function and support members and each other's core roles.

Job titles and key responsibilities:

**Louise Hay** – Managing Director (general management, strategy, budget, publisher, export services, media, international and external relations)

**Lynn Jones** - Managing Editor (p/t) (editorial and production strategy, commissioning, publications management, editorial) Responsible for Art + Framing Today

**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** - Membership Manager (membership recruitment and retention, member services and benefits, bookkeeping and accounts)

**Charlotte Napier** – Events, Sales and Marketing Manager (Awards and regional events, advertising sales, Guild News Update, marketing, social media)

# **REPORT FROM THE MANAGING DIRECTOR OF THE FINE ART TRADE GUILD 2016 IN FOCUS (CONTINUED)**

## **Performance indicators and achievements:**

The Court of the Guild confirmed the strategic plan for 2017, focusing on improving the relevance of the Guild to members and prospects, thereby returning the Guild to profit through increased income.

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

## **Profit generation:**

- This was not achieved and the deficit for the year was £71,870 (£87,617 in 2015).
- Total trading income including Guild programmes and publications was down 12% against budget at £259,072, up 2.8% against 2015 (£251,791).
- The Original Art Register programme was launched in the second quarter of 2016. This scheme has not yet returned expected profits but has been effective in increasing artist and photographer memberships.
- There was minimal bad debt, and depreciation decreased from £13,291 to £12,378.
- The ArtSure scheme continues to be effective in increasing membership, especially from fine art printers.

## **Membership development:**

- Staff members prioritise marketing and sales activity and all members are encouraged to bring their suppliers and trade customers into Guild membership to support staff efforts.
- The strategy for 2017 is to maintain and promote existing programmes which deliver excellent reasons for art and framing professionals to become members of the Guild.
- Staff and member representatives took part in the Art & Framing Roadshow, the D&J Simons Exhibition and our own Branch events, supporting existing members and recruiting new. This strategic activity will continue in 2017.
- Members really are the best advocates for the benefits of membership and we encourage all members to take advantage of our referral programme (Member-get-Member) which can bring them a free membership if they recruit 5 or more members.
- Membership development was achieved. Membership at 720 showed a net gain of 23 members. This was a 3.3% increase in total Guild membership numbers (3.5% reduction in 2015).
- Retention levels varied across the year and we lost 75 members in total. Over half of memberships that were not renewed were due to closure of business for various reasons or inability to afford fees.
- New member recruitment was up from 88 to 96 in the year.
- The relaunched Guild Certified Framers programme requires those qualifying to commit to Guild membership and Continuing Professional Development. There are now 63 GCF(APF) accredited framers.
- A new Friend of the Guild scheme was developed for those members leaving the industry but wishing to continue to support the Guild, engage in networking and receive Guild publications.

## **Consumer awareness:**

- The Guild website remains central to plans for raising the profile of art and framing and of Guild members with consumers with the busiest content pages being 'Find a Member' and then 'Buying Art, Prints and Framing'; FAQs on valuing artwork always rate highly.
- Members who need assistance can download online resources to improve their own profiles and access staff support by phone. Having an active Directory listing on the Guild website helps members improve SEO for their own sites as well as providing assurance to consumers.
- Retailer and framer members are encouraged to increase their use of the available leaflets to raise consumer awareness.
- Strong ArtSure, Original Art Register, Guild and GCF logos raise awareness of standards and are widely used by members. The 2016 slogan to enhance the Guild membership sticker and fineart.co.uk explained more clearly to consumers what the Guild stands for and why they should choose Guild members for their art, framing and printing needs.

## **REPORT FROM THE MANAGING DIRECTOR OF THE FINE ART TRADE GUILD 2016 IN FOCUS (CONTINUED)**

### **Publishing excellence:**

- Our flagship magazine Art Business Today was retitled Art + Framing Today to better reflect the interests of its readership.
- The Guild is committed to continuing to publish five excellent issues of Art + Framing Today.
- Distribution and pagination was maintained in 2016. Advertising revenues decreased from £48,467 in 2015 to £40,417, a 16% reduction. The reduction was most noticeable in April and June editions when Brexit uncertainty had an effect – sales in August and October exceeded budget, and advertising has continued to do so in 2017.

### **Centre of professional excellence:**

- The Guild's pioneering work in establishing standards is unprecedented and continues to be developed.
- ArtSure provided a new vehicle for the promotion of the Guild's print standards.
- Original Art Register allows artists and photographers to protect and promote their work. Publishers and gallerists who are members of the Guild may also register work on behalf of the artists they represent.
- Standards development, international harmonisation and the propagation of the GCF programme worldwide continued in 2016 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.
- The development of Guild Certified Framer and its accompanying CPD programme brought the Guild's framing qualification up to date with other professional certifications. Masterclasses and Seminars at the Guild office have provided 14 framers with advanced training in Conservation Framing Principles and 15 in Mount Decoration; the programme is extended in 2017 to include Textile Framing Principles.
- The Framing Standards and Qualifications Committee (previously Framers Committee) Members continue to provide a confidential Technical Help Line for members.

### **Regional delivery:**

- Branch events are considered to be an essential, cost effective membership benefit by those members who currently take advantage of this programme.
- The Art & Framing Roadshow grew in 2016 and is on schedule for another eight events in 2017. The Guild would like to a knowledge support from Wessex Pictures in organising and funding the events, which benefit the whole industry.

### **Internationalisation of the Fine Art Trade Guild worldwide:**

- Cost effectively through web and exhibition exposure in particular, achieved in 2016 by attendance at West Coast Art and Frame, Las Vegas; FAMA Art, Bologna and Photokina, Cologne.
- Discussions with manufacturers, publishers and suppliers provide valuable feedback on standards and programme developments as well as opportunities for membership recruitment and retention.
- Regular framing training sessions, provided by Guild Accredited trainers, are raising the profile of the Guild in China, resulting in 32 qualified GCFs and 6 new members there. From 2017 all Chinese candidates will take the Guild Certified Framer qualification, in line with the UK. Our grateful thanks go to AFA Expo for supporting the programme and Stephen Finney for his efforts.

### **Archive preservation and accessibility:**

- The archive will be kept accessible and preserved in its current condition as far as possible. The Guild archive of Fine Art Trade Journals is available for examination at Wye House along with registered prints, minutes and other memorabilia.
- The volunteer Guild archivist, John Hughes, continues to provide services to collectors. We thank John for his continued support.



**REPORT FROM THE MANAGING DIRECTOR OF THE FINE ART TRADE GUILD  
2016 IN FOCUS (CONTINUED)**

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 2016. Thanks also to the many other Fine Art Trade Guild Members who have contributed to the Guild in so many ways.

A handwritten signature in black ink, appearing to read 'Louise Hay', written in a cursive style.

Louise Hay  
**Managing Director**

Date: 13 May 2017

## **DIRECTORS OF THE FINE ART TRADE GUILD AS AT 31 DECEMBER 2016**

### **Officers:**

Ian Kenny GCF(APF) (Master), Ian Kenny Framing  
Steven McKee GCF(APF) Adv (Master's Warden), Down School of Picture Framing  
Jo Palmer GCF(APF) (Members' Warden), The Framing Lot  
James Stock (Treasurer)

### **Elected Members of the Court:**

Paul Bowden, Slater Harrison  
Simon Flavill, Arqadia Limited  
Ian Dixon GCF(APF) Adv, Ian Dixon Bespoke Framer  
Stephen Finney GCF(APF), MKV Creative  
Aidan Lynch GCF(APF), University of Limerick  
Roy Rowlands GCF, Hedgehog Framing  
Garry White GCF(APF), Wessex Pictures

### **Committee Chairs:**

Anne Corless, (Fine Art Committee), Artist and designer  
Mal Reynolds GCF(APF) Adv, (Framing Standards and Qualifications Committee), Harlequin Frames

### **Executive Co-Optees:**

Martin Harrold, LION Picture Framing Supplies  
Mike Braddock, Slater-Harrison  
Peter Hayton GCF, Towngate Art Group

### **Branch Masters:**

London – Nick Hood  
North East and Yorkshire - Leo Carrie  
North West – Chris Orme  
Northern Ireland – Darrin Walker GCF(APF)

*(Company details on [www.fineart.co.uk](http://www.fineart.co.uk) and latest copy of Art + Framing Today)*

### **Managing Director and Company Secretary:**

Louise Hay

### **Bankers:**

Unity Trust Bank plc  
9 Brindley Place  
Birmingham B1 2HB

### **Insurance Brokers:**

Besso Limited  
8-11 Crescent  
London EC3N 2LY

### **Registered Office:**

Unit 2 Wye House  
6 Enterprise Way  
London SW18 1FZ

### **Auditors:**

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB

### **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 2016**

The Court presents their report and the financial statements for the year ended 31 December 2016.

**RESULTS FOR THE YEAR**

The deficit for the year amounted to £71,870 (2015 - £87,617).

**PRINCIPAL ACTIVITIES**

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 other branches are within the UK.

**TRADING REVIEW**

A review of the Guild's activities is set out in the Master's Report on pages 1 to 2 and the Managing Director's Report on pages 3 to 7, which includes a strategy for activities in 2017.

**FUTURE DEVELOPMENTS**

There have been no events since the balance sheet date which materially affect the position of the Guild, and 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 8.

Mr Simon Flavill was elected 18 May, Mr Darrin Walker was elected 05 June, Ms Karen Hollis and Mr Stephen Burke stood down 18 May.

**THE FINE ART TRADE GUILD**  
**REPORT OF THE COURT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

**STATEMENT OF THE 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 also 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 applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Court must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Guild and of the profit or loss of the Guild for that period.

In preparing these financial statements, the Court is required to:

- select suitable accounting policies for the Guild's financial statements and then apply them consistently;
- make judgments and accounting 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; 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 adequate accounting records that are sufficient to show and explain the Guild's transactions and 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.

**SMALL COMPANIES NOTE**

In preparing this report, the Court has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Court on 13 May 2017 and signed on their behalf by:



Louise Hay  
**Managing Director**

**CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF MEMBERS ON THE  
PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS  
OF THE FINE ART TRADE GUILD FOR THE YEAR ENDED 31 DECEMBER 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The Fine Art Trade Guild for the year ended 31 December 2016 as set out on pages 11 to 18 from the Guild's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Members of The Fine Art Trade Guild, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The Fine Art Trade Guild and state those matters that we have agreed to state to the Board of Members, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Fine Art Trade Guild and its Board of Members, as a body, for our work of for this report.

It is your duty to ensure that The Fine Art Trade Guild has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of The Fine Art Trade Guild. You consider that The Fine Art Trade Guild is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The Fine Art Trade Guild. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

**Moore Stephens LLP**

**Moore Stephens LLP**  
150 Aldersgate Street  
London  
EC1A 4AB

Date: **19 May 2017**

**THE FINE ART TRADE GUILD  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>INCOME</b>			
Membership subscriptions		128,274	130,734
<b>SELF-FINANCING ACTIVITIES</b>	3		
Publications		71,001	78,998
Members' services		32,941	18,692
Exhibitions		315	500
Awards weekend		18,950	15,555
Website development		525	500
		<u>123,732</u>	<u>114,245</u>
Insurance commission		5,866	6,412
Rental income		1,200	400
		<u>259,072</u>	<u>251,791</u>
<b>EXPENDITURE</b>			
Self-financing activities	3	63,361	68,343
Staff costs	4	184,513	187,961
Amortisation	7	1,167	583
Depreciation	6	11,211	12,708
Administrative and office expenses	5	70,756	70,070
		<u>331,008</u>	<u>339,665</u>
<b>OPERATING DEFICIT</b>		<b>(71,936)</b>	<b>(87,874)</b>
<b>INVESTMENT INCOME</b>			
Interest receivable		82	321
		<u>(71,854)</u>	<u>(87,553)</u>
<b>DEFICIT FOR THE YEAR BEFORE TAX</b>		<b>(71,854)</b>	<b>(87,553)</b>
Corporation tax		16	64
<b>DEFICIT FOR THE YEAR</b>		<b>(71,870)</b>	<b>(87,617)</b>

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

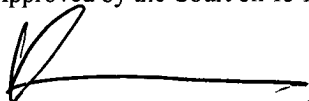
**THE FINE ART TRADE GUILD  
BALANCE SHEET  
AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	6	509,875	520,854
Intangible Assets	7	1,750	2,917
<b>CURRENT ASSETS</b>			
Stock		200	200
Debtors	8	43,413	43,268
Cash at bank and in hand		20,666	44,727
		<u>64,279</u>	<u>88,195</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>67,473</u>	<u>31,665</u>
<b>NET CURRENT ASSETS</b>		<u>(3,194)</u>	<u>56,530</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>508,431</u></u>	<u><u>580,301</u></u>
<b>ACCUMULATED FUND</b>			
1 January 2016		580,301	667,918
Deficit for the year		(71,870)	(87,617)
At 31 December 2015		<u><u>508,431</u></u>	<u><u>580,301</u></u>

The members consider that the Guild is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ('the Act') and members have not required the Guild to obtain an audit for the year in question in accordance with section 476 of the Act.

The Guild's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Court on 13 May 2017 and signed on their behalf by:

  
Ian Kenny  
Master

  
Louise Hay  
Managing Director

Company number: 02942955

**THE FINE ART TRADE GUILD  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. GENERAL INFORMATION**

The Fine Art Trade Guild is a private company, limited by guarantee, domiciled in England and Wales.

The registered office is as stated on page 8.

The financial statements are presented in Sterling (£).

**2. ACCOUNTING POLICIES**

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Guild's accounting policies.

The following principal accounting policies have been applied:

**b) Going concern**

The Guild incurred a deficit before tax for the year of £70,854 (2015 – £87,553).

Despite this, the Guild, had reserves of £509,447 (2015 – £580,301) at the balance sheet date and therefore the members consider it appropriate to prepare the financial statements on the going concern basis.

**c) Income**

Income represents cash received relating to membership subscriptions commencing during the accounting period, after adjusting for deferred income.

**d) Expenditure**

Expenditure on development costs, which represent the application of research to the development of new software, is capitalised provided that:

Specific projects are identified, they are technically feasible and the Guild has sufficient resources to complete development.

**e) Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

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 as follows:

Long leasehold property	- No depreciation has been provided
Office furniture, fittings and equipment	- Straight line over 3 years

**f) Intangible fixed assets**

Capitalised development expenditure is amortised over its expected useful life of 3 years on a straight line basis from when the software was brought into use.



**THE FINE ART TRADE GUILD  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

g) Stocks

Stocks are stated at the lower of cost and net realisable value.

h) Financial reporting standard 102 – reduced disclosure exemptions

The Guild has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- The requirements of Section 7 Statement of Cash Flows.

i) Pension contributions

The Guild operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Guild. The contributions are recognised as an expense when they are due with amounts not paid shown in accruals at the balance sheet date.

3. SELF-FINANCING ACTIVITIES

	Income £	Expenditure £	2016 Net £	Income £	Expenditure £	2015 Net £
<b>Publications:</b>						
Advertising	40,417	-	40,417	48,467	-	48,467
ABT subscriptions	26,923	-	26,923	25,999	-	25,999
Other	3,661	-	3,661	4,532	-	4,532
Costs	-	(23,424)	(23,424)	-	(24,710)	(24,710)
	<u>71,001</u>	<u>(23,424)</u>	<u>47,577</u>	<u>78,998</u>	<u>(24,710)</u>	<u>54,288</u>
<b>Members' services:</b>						
Guild Commended Framers programme	18,508	(5,515)	12,993	5,928	(2,864)	3,064
Contracted member services	-	(3,416)	(3,416)	-	(6,684)	(6,684)
Guild products	206	-	206	237	-	237
Mountboard licensing	9,000	-	9,000	9,000	-	9,000
Other guild events	1,300	-	1,300	1,082	-	1,082
Consumer awareness programme	-	-	-	540	(1,210)	(670)
Branch costs	-	834	834	-	-	-
Original art register	620	(1,466)	(846)	-	-	-
ArtSure membership	3,307	(525)	2,782	1,905	(4,771)	(2,866)
	<u>32,941</u>	<u>(10,088)</u>	<u>22,853</u>	<u>18,692</u>	<u>(15,529)</u>	<u>3,163</u>
<b>Exhibitions:</b>						
Overseas	-	(7,004)	(7,004)	-	(6,523)	(6,523)
UK/Eire	315	(500)	(185)	500	(1,167)	(667)
	<u>315</u>	<u>(7,504)</u>	<u>(7,189)</u>	<u>500</u>	<u>(7,690)</u>	<u>(7,190)</u>
Awards weekend	18,950	(14,409)	4,541	15,555	(12,772)	2,783
Website development	525	(7,936)	(7,411)	500	(7,642)	(7,142)
	<u>123,732</u>	<u>(63,361)</u>	<u>60,371</u>	<u>114,245</u>	<u>(68,343)</u>	<u>45,902</u>

**THE FINE ART TRADE GUILD  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. STAFF COSTS AND EMPLOYEES**

	2016 £	2015 £
Wages and salaries	166,284	167,961
Social security costs	12,917	14,327
Other pension costs	5,312	5,673
	<u>184,513</u>	<u>187,961</u>

The average number of employees during the year was 6 of which 1 was part-time (2015 - 6 of which 1 was part-time).

The Members of the Court received no remuneration for their services to the Guild (2015 - £Nil).

The Managing Director received £55,972 including pension contributions (2015 - £55,350).

**5. ADMINISTRATIVE AND OFFICE EXPENSES**

	2016 £	2015 £
<b>Administrative expenses:</b>		
Recruitment, advertising and public relations	460	75
Committee travel expenses	4,304	6,322
Travelling and entertaining	228	558
Accountancy fees	4,400	2,057
Legal and professional fees	11,292	11,260
Printing and stationery	3,983	3,553
Postage and telephone	6,474	6,056
Professional subscriptions	70	62
Contract workers	-	1,174
Loan interest	1,000	-
Bank charges	2,605	2,272
Sundries	492	1,098
Other staff	2,330	2,075
Bad debts	222	4,326
	<u>37,860</u>	<u>40,888</u>
<b>Office expenses:</b>		
Rent and rental charges	2,556	1,691
Rates and service charges	15,769	12,851
Repairs and maintenance	7,553	7,432
Software and software support	1,548	1,275
Light and heat	485	828
Insurance	4,985	5,105
	<u>32,896</u>	<u>29,182</u>
	<u>70,756</u>	<u>70,070</u>

**THE FINE ART TRADE GUILD  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**6. TANGIBLE FIXED ASSETS**

	Long leasehold property £	Office furniture, fittings and equipment £	Total £
Cost:			
At 1 January 2016	505,395	157,987	663,382
Additions	-	232	232
Disposals	-	-	-
At 31 December 2016	<u>505,395</u>	<u>158,219</u>	<u>663,614</u>
Depreciation:			
1 January 2016	-	142,528	142,528
Charge for the year	-	11,211	11,211
Released on disposal	-	-	-
At 31 December 2016	<u>-</u>	<u>153,739</u>	<u>153,739</u>
Net book value:			
At 31 December 2016	<u>505,395</u>	<u>4,480</u>	<u>507,875</u>
At 31 December 2015	<u>505,395</u>	<u>15,459</u>	<u>520,854</u>

**7. INTANGIBLE FIXED ASSETS**

	ArtSure Software £
Cost:	
At 1 January 2016	3,500
Additions	-
Disposals	-
At 31 December 2016	<u>3,500</u>
Amortisation:	
1 January 2016	583
Charge for the year	1,167
Released on disposal	-
At 31 December 2016	<u>1,750</u>
Net book value:	
At 31 December 2016	<u>1,750</u>
At 31 December 2015	<u>2,917</u>

**8. DEBTORS**

	2016 £	2015 £
Trade debtors	25,058	23,252
Prepayments	18,355	20,016
	<u>43,413</u>	<u>43,268</u>

**THE FINE ART TRADE GUILD  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. CREDITORS: amounts falling due within one year	2016 £	2015 £
Subscriptions received in advance	4,075	4,276
Trade creditors	10,267	8,398
Taxation and social security	8,573	7,137
Accruals and deferred income	17,938	11,381
Corporation tax	16	64
Credit card	172	-
Loans	26,000	-
Other	432	409
	<u>67,473</u>	<u>31,665</u>

**10. RELATED PARTIES**

During the year, the following transactions were undertaken with related parties:

Committee Members received £4,304 (2015 - £6,140) in respect of expenses incurred in relation to their duties.

Loans totalling £25,000 (2015 - £Nil) were received from 5 Officers of the Guild. Interest at the rate of 4% per annum, calculated annually in arrears, is payable on any unpaid principal at the balance sheet date and the loans shall be repaid in full on 31 December 2017. The total amount payable at the year-end is £26,000, as shown in current liabilities, with annual interest of £1,000 being charged to administrative expenses.