

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

REGISTERED CHARITY No. 1089743

OFFICE OF SCOTTISH CHARITIES No. SC039240

A COMPANY LIMITED BY GUARANTEE AND REGISTERED IN ENGLAND & WALES

No. 4307984

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

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

CONTENTS

	Page
Company information	1 - 2
Message from the National Chairman	3
Trustees' Report	4 - 13
Auditors' Report	14
Consolidated Statement of Financial Activities	15
Balance Sheets	16
Consolidated Statement of Cashflows	17
Notes to the Financial Statements	18 - 31

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

COMPANY INFORMATION

Patron	HRH The Duchess of Gloucester	
President	Dr Loyd Grossman CBE FSA	
Vice Presidents	The Rt Revd & Rt Hon Richard Chartres DD FSA, The Lord Bishop of London Martin Drury CBE FSA Philippa Glanville FSA Alison Richmond ACR FIIC Desmond Shawe-Taylor LVO	
Trustees	National Chairman	Jill Makepeace-Warne (retired 20 May 2015) June Robinson (appointed as Chairman 20 May 2015)
	National Vice-Chairman	Kate Siebert
	National Treasurer	Shaun Pitt
	Hilary Alcock Felix Appelbe Gordon Davies William Baxter Dawson Alison Galvin-Wright Penny Hedley-Lewis (appointed 20 May 2015) Michael Shirley (appointed 20 May 2015) Denise Topolski Angela White-Horan (retired 20 May 2015) Sally Wykeham Susan Zuill	
Chief Executive	Dr Florian Schweizer	
Company Secretary	Graeme East	

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

COMPANY INFORMATION

Principal Bankers	Barclays Bank plc CAF Bank Ltd Royal Bank of Scotland plc
Solicitors	Bates Wells & Braithwaite 2 - 6 Cannon Street London EC4M 6YH
Auditors	Kingston Smith LLP Chartered Accountants & Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

MESSAGE FROM THE NATIONAL CHAIRMAN

This has been a busy year for NADFAS - a year in which a great many changes have been made or begun, but first I would like to express my grateful thanks to my predecessor, Jill Makepeace-Warne.

We have revised our Articles to have a slightly wider, more flexible and modern set of charitable objectives, introduced many changes on the technology front and ended the year with a significant change to the organisational structure at NADFAS House.

NADFAS continued to make great efforts to further its reach and I was delighted that, in 2015, three new UK Societies opened in Chiswick, Hungerford and Lincoln. In addition, a new Society opened in Malta. We also continued to provide and enhance the support available to existing Societies, making a particular effort to engage with, and understand the challenges facing our smaller Societies. As well as support comprising specialist advice through our Societies Support Team, marketing aids and training, and direct grants were also available towards the costs of developing membership.

We produced our first detailed report into the impact that NADFAS has on the community and the arts and heritage sector which was based on independent research. A summary of the results appears in the Trustees Report but it was especially exciting to hear the tangible and measurable benefits that the work of our societies, volunteers and staff have on people.

Chiltern DFAS, the first Society founded by Patricia Fay, which has been around longer even than NADFAS itself celebrated its 50th anniversary with a series of events, the highlight of which was a high profile event held at Blenheim Palace, which was attended by our patron, HRH The Duchess of Gloucester.

Across the country, NADFAS volunteers have made, and continue to make, an enormous contribution to the activities and achievements of NADFAS and to the wider world of the arts and conservation. On behalf of the Trustees I would like to thank all our volunteers, both from the volunteering disciplines and those involved in the running of their Societies and the Areas, who give so generously of their time and skills. Their dedication and enthusiasm is much appreciated.

We have been very active in pursuing and developing partnerships with other organisations. A very recent highlight of these efforts was the successful campaign to raise funds (more than £17,500 in total) for the refurbishment and extension of Gainsborough's House in Sudbury.

NADFAS also continued to be active in experimenting, designing and staging its own events in 2015. NADFAS at Night has proved ever more popular at its new venue in Covent Garden. We also experimented by staging a pop-up series of free lectures at the Glastonbury festival.

I was also very pleased to see the results of the refurbishment of the lower ground floor at NADFAS House, creating a welcoming space for members, guests and staff to meet in convivial surroundings. Further progress has been made during 2015 in the development of NADFAS's digital systems and content. Additional podcasts, films and interviews are available on our website and we are creating more online tutorials and tools for Societies and their members, as well as replacing our membership database with a more effective and reliable and less expensive system, the benefits of which will be felt in 2016. More short video presentations have been made of NADFAS lecturers to enhance their entries in the online directory and our Church Recorders have the ability to produce online records

NADFAS itself is fast approaching its own 50th anniversary in 2018, and plans are being formed to mark this milestone across the organisation. I aim to ensure that NADFAS faces the future and its challenges ahead by encouraging research and innovation and exploiting the opportunities offered by technology and the talents of its volunteers, staff and partners, and remains a force in arts education for the next fifty years.

June Robinson
30 March 2016

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015

The Trustees present their report and financial statements for the year ended 31 December 2015. This report complies with the Statement of Recommended Practice for Charities (2005). It has also been prepared in accordance with the provisions of the Companies Act 2006 and, for the first time, with the Financial Reporting Standard 102 Charities SORP.

Review of the year and future plans

2015 has been another busy and successful year with tremendous levels of activity and achievement across all the key areas in which NADFAS is active, but has also been a year when considerable changes were either instigated or set in train.

Priority projects

Each year we prioritise a number of key projects to be the focus of our attention. Our priority projects for 2015, which we reported on in 2014, and the progress we have made in the year are summarised below:

1. The NADFAS Impact Report was completed, published and copies sent to members and other stakeholders.
2. NADFAS continued to make progress in 2015 in the development of its IT infrastructure and delivery of services through the use of technology, particularly in the areas of website development, replacement of the online database, the online directory and in internet connectivity at NADFAS House for staff and visitors.
3. NADFAS continued to develop strategies to grow the membership through new and existing Societies. Four new Societies adding in total more than 700 new members were formed in 2015 and the work of the New Societies team will lead to more opportunities in 2016. Support for existing Societies was enhanced by adding further training opportunities and making direct financial help available.
4. Research was undertaken on the use and efficiency of NADFAS House. A larger and improved meeting space was created at NADFAS House for the benefit of members, staff and guests.
5. NADFAS continued to trial new formats and outreach – one example of which was a presence and programme of lectures at the Glastonbury Festival.
6. A reorganisation of the staffing structure at NADFAS House was undertaken in the Autumn and will be completed in 2016.

In addition to projects identified and reported on in 2014, the following projects were also undertaken:

1. NADFAS continued to develop external relationships and campaigns with other like-minded organisations. For example, a joint campaign with Gainsborough's House raised more than £17,500 for their refurbishment fund.
2. A review of the NADFAS Areas led to the creation of two new Areas, Chiltern Hills and Wyvern, from the former South Mercia Area with effect from January 2016. A review of Area finances was commenced, and will conclude in 2016.
3. NADFAS completed the review of its Memorandum and Articles of Association, including its objects clause and other procedural issues, and a resolution to approve the amended document was passed at the AGM in May 2015, enabling a wider range of Arts subjects to be covered and facilitating beneficial partnership projects with like-minded organisations.
4. NADFAS received notice of a legacy from the estate of the late John Stoye, in memory of his wife, Mary, which is expected to total more than £200,000. Trustees will consider the appropriate and lasting uses for this legacy in 2016 and beyond but, for now, the amount received under this legacy in 2015 is included in the Patricia Fay Memorial Fund.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

5. The Trustee Board adopted a Vision and Mission Statement in 2015, which is reproduced later in this Trustees' Report.

Education

For many members, the lecture programme put on by our Societies is their principal reason for joining NADFAS and it remains one of our core activities.

The quality of these lectures remains very high indeed as evidenced by statistics compiled from reviews from societies, which can now be completed online.

Lecturers are selected by a rigorous selection process and a total of 6 lecturer selection sessions were held. From over 100 applicants, 17 new lecturers were accredited. There were 18 retirements from the Directory, resulting in there being 320 NADFAS accredited lecturers at 31 December 2015 (321 at December 2014).

Induction sessions for newly accredited lecturers continue to be held twice yearly, giving valuable insight into the ethos and workings of NADFAS and its member Societies. Nearly all lecturers now use digital images to illustrate all of their lectures and we do not accept applications from candidates unable to use digital images.

Representatives from more than 96 % of member Societies (UK and Mainland Europe) and over 200 Lecturers attended the Annual Directory Meeting at Westminster Central Hall in March 2015 making the day a successful forum for interaction between them. This was the third consecutive year that NADFAS had used this venue and feedback from lecturers and Society representatives was again generally very positive, apart from some issues with catering, and it will be used again in 2016, with the meeting scheduled for 14th March 2016.

The online directory is now widely used and now includes short sample videos for the majority of lecturers, and this will continue to be extended in 2016.

Volunteering

Patricia Fay, the founder of NADFAS, was always clear that an essential element of NADFAS was that it should be a 'doing' organisation as much as anything else. Our Young Arts, Heritage Volunteers, Church Recorders and Church Trails disciplines ensure that this is as true today as then.

The Marsh Awards for volunteering with NADFAS which recognises the dedication of Church Recorders and Church Trail makers, Heritage Volunteers and the Young Arts volunteers were presented at the AGM in 2015 by Charles Micklewright, Trustee of the Marsh Christian Trust.

NADFAS Church Recorders completed 47 records in the year and started another 70. Over 1,800 records have now been completed. A new group attached to the Anglican church in Hamburg was launched in the autumn and there are still two groups led by members of the national Church Recorder team recording in the City of London. A programme of training of Recorders in various subjects, including the creation of online records, was undertaken.

Church Trails continued to be popular with Societies and 38 were started during the year and 52 trails were completed in 2015. A NADFAS Church Trail is a questionnaire designed by our members for children aged 8-12 with a corresponding answer sheet. It guides the participant round a church looking at the architecture, history and furnishings. The aim is to encourage both children and adults to explore the building, to learn about it and enjoy the experience so that they are inspired to visit other buildings of significant interest.

This year 89 new Heritage Volunteers' projects commenced. Many volunteers continued to work on a wide range of established projects across the UK including seven related to the commemoration of the First World War.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

NADFAS continued its partnership with the Royal Society of British Artists to promote A Level students' work. 35 young people had their art work exhibited at the Mall Galleries in London and earned the title 'NADFAS/RBA Scholar'. The selection was made from 352 artworks submitted by societies. One RBA Scholar received the NADFAS John Ingram Memorial prize for his work.

The National Chairman's Young Arts competition, with its 'Edibles' theme, attracted 100 entries from five Young Arts groups.

The Sir Trenchard Cox Scholarship is offered by Art History Abroad and NADFAS continues to receive a number of entries each year, 12 in 2015, and it provides a unique opportunity for a young person to study in Italy for two weeks.

Young Arts continued with their popular activities and in 2015 NADFAS Societies and Areas gave £199,928 (2014 - £191,319) to a range of art-based projects for young people. Through Young Arts, NADFAS supported some highly successful master classes for GCSE and A level students held at a number of national galleries.

The financial impact of our volunteering activities and its contribution to the public good is not always well understood. In 2015 over 2,500 Heritage Volunteers worked on 468 projects (2014 – 469). Based on the returns made we estimate that approximately 196,000 hours were donated in 2015 (2014 – 193,000). At a notional mean hourly pay rate of £14.95* (2014 - £14.69) this represents a value of over £2.9 million (2014 - £2.8 million). More than 1,900 NADFAS Church Recorders undertook a similar exercise in 2015 and through a similar calculation it is estimated that they undertook approximately 250,000 hours (2014 – 242,000) of work which on the same hourly rate equates to over £3.7 million (2014 - £3.55 million)

Accordingly the aggregate estimate of public benefit donated in time by Heritage Volunteers and Church Recorders in 2015 is 446,000 hours (2014 – 435,000 hours), or £6.6 million (2014 - £6.39 million), a very considerable achievement.

*Source: UK mean hourly earnings excluding overtime (Office of National Statistics: 2015 Annual Survey of Hours and Earnings).

Grants

In circumstances where many charities have had to cut grant giving, we regard our continuing ability to give grants to various arts related activities as a key element of our charitable objectives; grants awarded in the year by NADFAS, its areas and societies totalled £358,474 (2014 - £326,639).

The Patricia Fay Memorial Fund provides grants to support students, apprentices and interns in arts and conservation-associated fields and arts-related projects. Its income derives from the NADFAS Gift Aid arrangement, investments and deposits made by member societies, the interest on which generates income for the Fund, not for the societies. The deposits are repayable on demand. The fund's financial activities are recorded as one of NADFAS's designated funds.

The NADFAS Gift Aid arrangement which invites member societies to allow NADFAS to claim gift aid relief on the affiliation fee paid by individual members continued to grow. 226 (2014: 225) eligible member societies now participate in the arrangement. After discounting backdated claims, we estimate a net average annual income to the Fund of over £60,000 (at present tax rates).

The Britcher Furlong Bequest Fund supports projects of benefit to NADFAS members. The bequest is classified as a designated fund.

The Zena Walker Bequest Fund provides an outstanding conservation student with an annual grant (currently £4,300) for the duration of their course. The current recipient is studying Conservation of Books and Library Materials at West Dean College. The scholarship process involves interviews by a panel of experts. The grants committee seek to move the scholarship to a new institution for each award.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

A fund was set up in 2013 in memory of David Bell, our previous Chief Executive. In accordance with the wishes of David's family, the amounts collected will be used to fund grants for young people setting out on a career in the arts or conservation. At the time of writing, more than £23,000 has been raised and this is being administered by the grants committee in consultation with David's family. Grants made in 2015 totalled £12,000 (2014 - £6,500).

A single Grants Committee, which includes non-trustee members, administers all applications. In 2015 Trustees awarded 54 grants (2014 – 54) from the Patricia Fay Memorial Fund, amounting to £100,490 (2014 - £88,325) and 10 grants (2014 - 12) were awarded from the Britcher Furlong Fund, amounting to £5,900 (2014 - £4,716). In addition to grants made centrally, grants totalling £35,856 (2014 - £31,479) were made by Areas and grants to Young Arts projects of £199,928 (2014 - £191,319) were made by Societies.

Area Committees

The NADFAS Area Committees continued to provide valuable support for the activities of local member societies during 2015. A range of educational courses and events was held and 52 grants (2014 - 44) totalling £35,856 (2014: £31,479) were awarded to students, volunteering projects and member societies. NADFAS Societies are autonomous but are given support by their Areas who also regularly seek their views on matters pertaining to the whole organisation. Area Chairmen also complete an annual report which is discussed by the Advisory Council. Trustees consider this valuable feedback when making strategic decisions for the following year.

Future Plans

We have set out below a summary of our priority projects for 2016 and we will report on progress on these in the equivalent report next year.

1. Continue to research and develop strategies to grow the membership through existing and new societies, affiliate members and new audiences.
2. Continue to develop new digital content, tools and services.
3. Commission research into and the preparation of an independent report on the branding of NADFAS.
4. Research and examine opportunities for commercial sponsorship of NADFAS and its Societies.
5. Examine ways of encouraging and rewarding innovation in audience development, education and volunteering.
6. Continue to develop a media strategy to include modern use of public relations, social media and events marketing.

Finally, to complete this aspect of the Trustees Report on NADFAS's activities, achievements and plans we would like to pay tribute to the efforts and support of all our members, volunteers, our partners in many of the activities that we undertake, our commercial affiliates and last, but certainly not least, the staff at NADFAS House. Thank you all for all that you do.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

Objects

NADFAS has as its objects

- the promotion and advancement of the education of the public in the cultivation, appreciation and study of the decorative and fine arts,
- the conservation and preservation of the artistic heritage of the United Kingdom and other countries for the benefit of the public and
- the advancement of the arts, culture and heritage, in particular but without limitation, decorative and fine arts.

The objects were reviewed as part of the overall examination of the Memorandum and Articles of NADFAS and a resolution on the revised document, including the revised objects clause, was passed at the AGM in May 2015.

Structure Governance and Management

Governing Document

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

Trustee Board

The principal role of the Trustees is to set the strategic direction of NADFAS. The role of the Chief Executive and his team is to implement and manage the strategy set by the Trustees.

Appointment of Trustees

The maximum number of trustees is fifteen of whom twelve can be elected by the voting members and three may be co-opted. Trustees retire after completing a three-year term and are eligible to serve a further three-year term, but may not serve for more than six consecutive years in total. They determine policy and have ultimate responsibility for the activities of the charity. Trustees who served during the year are listed on page 1.

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

Trustee Induction and Training

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

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

Organisational Structure

NADFAS's governing body is the Trustee Board, all of whom are directors, and who appoint one of their number as National Chairman and one as National Vice-Chairman. There are five Board meetings and two strategic planning sessions each year.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

The Trustee Board has set up a number of committees to which it has delegated authority for certain functions. The audit committee meets at least twice a year and is chaired by the National Treasurer. Two further trustees, and two members recommended by the Advisory Council, sit on the committee.

An Investment Committee, which is also chaired by the National Treasurer, meets twice a year to ensure that the investment policy as defined in NADFAS's statement of investment principles is carried out and regularly reviewed and also to review the performance of our investments.

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

The Grants Committee meets at least twice a year to develop policy and to administer grants paid from the Britcher Furlong Bequest, the Patricia Fay Memorial Fund and the Zena Walker Bequest Fund. There is also a sub-committee which administers grants payable from the David Bell Memorial Fund.

Working groups are formed to examine specific issues as and when appropriate.

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

The Board appraises its own performance and effectiveness once every two years. Trustees are asked to complete questionnaires on all aspects of the board's work and the results are discussed at the spring strategic planning day. The National Chairman is formally appraised once a year by the Trustee Board. Individual trustees complete a self-assessment on their own performance which is discussed during an annual meeting with the National Chairman.

Remuneration Policy

A Remuneration and Conditions of Service Committee meets at least once a year to review employment policy and salary levels. Levels of remuneration for all staff are set having regard to employment market rates, performance and length of service.

NADFAS Area Committees are legally part of NADFAS itself and are teams of representatives and advisors led by locally elected Area Chairmen reporting to the Chief Executive. There are eighteen UK Area Committees and one European. An Overseas Area Representative is appointed by the Trustee Board and liaises with the Australian Group Associate Member (ADFAS) and the New Zealand Societies. These area committees are an important part of the overall structure of NADFAS and undertake a valuable role in many aspects of the organisation, including communication from the Trustees to the societies as well as upward communication in the other direction.

The New Societies Committee works closely with the Area Chairmen to identify and develop opportunities to establish new societies. In addition, the Societies Support team, consisting of current and past Area Chairmen, offers direct support and help to vulnerable societies and works closely with the area in which the society is based.

The Advisory Council comprises Area Chairmen, the Overseas Area Representative, the Volunteer Head of Training, the Volunteer Chairman, Chairman of New Societies and the Education representative. The Advisory Council provides advice and recommendations on key issues referred to it by the Trustee Board and the Chief Executive, enabling the views of the widest possible number of stakeholders to be considered. It meets twice a year and meetings are chaired by the National Vice Chairman.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

Membership and member societies

Total membership numbers at 31 December were 92,275 (2014 - 92,850) including 1,380 affiliates (2014-1,353).

Three new UK societies were inaugurated in 2015, Chiswick, Hungerford and Lincoln, together with one European Society in Malta. Two Societies closed during 2015 – Skipton and Rushcliffe.

NADFAS' sister organisation in Australia, ADFAS, represents 35 Societies with 6,300 members and is a group associate member of NADFAS.

At 31 December there were 375 (2014 - 374) member societies in the UK, mainland Europe and New Zealand. All these member societies are legally separate and autonomous from NADFAS itself but all are affiliated to it by virtue of an affiliation agreement, The Statement of Mutual Obligations.

Related Parties – Subsidiary undertakings

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

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

NADFAS Tours Limited receives commissions from specified travel companies when NADFAS members book tours promoted as Tour NADFAS and on certain cruises and overland tours. This commission is paid to the company directly by the travel operator.

Risk Management

In accordance with the risk management policy set by the Trustee Board, NADFAS maintains a risk register. This lists the principal risks, both internal and external, to which NADFAS is exposed and gives estimates both of the likelihood of the risk becoming a reality, the degree of impact that its occurrence would have on the organisation, likely causes, existing controls and new actions being taken to mitigate the risk. On-going review and appraisal of risk takes place through the audit committee and mitigating action is taken by the Trustee Board where a requirement is identified.

Principal Risks

The risk register records that the most significant risks relate to the potential for a significant loss of subscription income and commercial income from advertising revenue and from tours commissions through NADFAS's subsidiary companies. A number of actions are being taken to reduce risks in these areas. For subscription income, these include PR initiatives, the structural review, audience development and research initiatives, the adoption of an income based reserves policy and the development of innovation incentives for Societies. For advertising income, actions include new sales initiatives, new market development and a review of the advertising policy being carried out in 2016. For Tours income, actions include an improved presence on NADFAS website and progress on the addition and diversification of travel affiliates.

Vision and Mission

The Trustee Board adopted a Vision and Mission Statement in 2015. Our vision is of a worldwide community enriched by lifelong opportunities for everyone to enjoy and participate in the Arts and Cultural Heritage. Our mission is to create opportunities for everyone to be part of a diverse community in which they can enjoy, learn about, participate in and preserve the Arts and Cultural Heritage. NADFAS aims to:

- make the Arts accessible,
- promote well-being and enrich lives through the Arts,
- deliver high standards in art education,
- grow its worldwide network of Societies and reach out to new audiences,
- invest in specialist skills for members and support the development of professionals in the arts, crafts and cultural sectors,
- develop strategic partnerships to achieve its charitable aims.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

Public Benefit

The Trustees have referred to the Charity Commission's and OSCR's general guidance on public benefit when reviewing the charity's strategies and in planning future activities and the trustee board keeps this issue under regular review.

NADFAS delivers valuable benefit to the public through its involvement with arts education and heritage conservation.

NADFAS membership is available to all. Currently, in the UK, Mainland Europe and New Zealand, local societies have over 92,000 members. For a modest annual subscription, they enjoy lectures on a broad range of topics connected with the decorative and fine arts. They also have the opportunity to enjoy study days and educational visits to museums, galleries and historic houses.

For those who cannot or do not wish to become full members at present, the alternative of affiliate membership is available.

NADFAS members are also encouraged to become specialist volunteers and make an important contribution to heritage conservation. NADFAS Church Recorders engage in recording the details of internal furnishings and artefacts in places of worship. Some 1,800 of these valuable records are now stored at the Victoria & Albert Museum and at English Heritage's public archive. NADFAS Heritage Volunteers are involved with hundreds of projects nationwide and help to conserve our heritage for future generations. They contribute a great deal of time to stewarding, cataloguing and help with conserving artefacts in museums, galleries, libraries, historic houses and National Trust properties. NADFAS, and local societies, also support young arts groups and young students through funding and support, exhibitions and competitions. Young Arts volunteers help future generations develop an interest in the arts and in national heritage. Church Trails, prepared by NADFAS volunteers, aim to encourage 8-12 year olds and their families to learn about a specific church and inspire them to visit and enjoy other churches. Grants are awarded to some of the most promising students in specialist conservation and heritage skills.

An estimate of the monetary value of our major volunteering activities is included in the 'Review of the Year and Future Plans' on pages 5 and 6 under the heading 'Volunteering'.

NADFAS also has an active and extensive grant giving programme details of which are set out in the 'Review of the Year and Future Plans' on pages 6 and 7.

NADFAS organises regular events at national and area level which can be attended by members, guests and the public.

Trustees' activities

Trustees held a strategic planning day in April 2015 to consider long term development strategies. A further such day was held in October to discuss key priorities for 2016 and beyond.

During the course of 2015, the National Chairman and trustees made 38 visits to NADFAS area meetings and 21 visits to society and area events. There were five Trustee Board meetings in addition to the two strategy and development sessions.

Subsidiary undertakings

The results from subsidiaries for 2015 remained satisfactory.

Financial Review

Results

This is the first year that the Charity has prepared its financial statements under FRS 102. The effects of this requirement are outlined in note 17 to the Financial Statements.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

The financial position of NADFAS remains robust. The audited consolidated financial statements for the year ended 31 December 2015 record a net operating surplus on the NADFAS general fund of £32,493 (2014 – £50,904).

NADFAS recorded net gains of £1,135 (2014 – £47,828) on the general fund's portfolio of investments. This is stated before transfers to designated funds. These amounted to £30,003 (2014 £41,234) resulting in an overall movement in the general fund of £3,625 (2014 – £57,498).

Both subsidiary companies are wholly owned by NADFAS. NADFAS Tours Limited receives commission from travel affiliates on tours promoted as Tour NADFAS and on certain cruises and tours. NADFAS Tours' total profit for the year was £166,792 (2014 - £168,898). NADFAS Enterprises Limited recorded a profit for the year of £33,845 (2014 - £28,099). The profit of NADFAS Tours and NADFAS Enterprises will be passed to NADFAS under gift aid.

Investment powers and working capital policy

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

Reserves Policy

The group policy for 2015 on general reserve funds was to maintain a level of free reserves equivalent to nine months' operating expenditure. It is also the policy to maintain cash reserves equivalent to three (2014-three) months' operating expenditure. This is required to guard against any major unexpected event, which could result in a reduction in income or a degree of expenditure which could not be met from the normal cash flow.

As it has been several years since the reserves policy was set, a review of this policy was undertaken by the investment committee, on behalf of the Trustee Board, in 2015. As a result of this review the Board approved a change in the policy with effect from 1st January 2016 to a level of 7.5 months operating expenditure.

The total fund balances at 31 December 2015 were £3,320,005, of which £2,036,498 relates to designated funds and a further £8,527 was represented by tangible fixed assets. Including fixed asset investments that can be realised should it become necessary, the remaining £1,275,845 represents the total free reserves of the group. Based on the budgeted operating expenditure for 2016 of £1,650,000, this represents 9.3 months (2014 – 9.5 months) of undesignated expenditure, a level which is considered to be satisfactory with regard to the current assessment of the risk profile for the group.

Compliance with the reserves policy is reviewed on an annual basis.

Designated Funds

The Trustee Board sets aside funds for designated purposes which fall into three main categories as shown below.

-Grants: grant giving is designated separately from the NADFAS General fund. Four such funds existed in 2015-the Patricia Fay Memorial Fund, the Britcher Furlong Bequest Fund, the Zena Walker Bequest Fund and the David Bell Memorial Fund

-Asset replacement and repair:-provision is made by transfers from the general fund for the replacement, or unexpected major repairs of NADFAS House and the IT hardware and software.

-Redistribution and allocation:-designated funds are maintained for the Fares Pool (a subscription fund which Societies then draw on to fund travel costs to the NADFAS Annual Directory and Annual General Meetings and for the NADFAS areas which are the responsibility of the Trustees but whose day to day administration is delegated to the Area committees

Full details of the designated funds and the movements on them in the year are shown in note 2a in the financial statements.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015 (continued)

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of NADFAS for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities SORP FRS102.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

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

Auditors

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

The Trustees
30 March 2016

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

We have audited the financial statements of NADFAS for the year ended 31st December 2015 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with regulations made under chapter 3 of part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on page 13) the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and section 152 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on 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 (APB'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 group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure and cashflows, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept proper, adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Shivani Kothari, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

19th April 2016

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

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST DECEMBER 2015

		GENERAL	DESIGNATED	RESTRICTED	TOTAL	TOTAL
	Notes	2015	2015	2015	2015	2014
		£	£	£	£	£
INCOME AND ENDOWMENTS						
Charitable activities						
Subscriptions and fees from members		1,142,356	60,280	-	1,202,636	1,207,474
Educational course fees and events	2	11,513	203,631	-	215,144	211,801
Investment Income		17,483	12,167	-	29,650	26,878
Donations and Legacies	2,3	27,331	249,427	-	276,758	28,503
Gift Aid		-	81,341	-	81,341	92,543
Other trading activities						
Trading subsidiaries income	4	520,122	-	-	520,122	492,037
Other income		-	25,229	-	25,229	33,878
Total Operating Income		1,718,805	632,075	-	2,350,880	2,093,114
EXPENDITURE						
Raising funds						
Gift Aid - Societies' administration fees	2	-	30,102		30,102	31,228
Trading subsidiaries expenditure		470,520	-		470,520	478,693
Total cost of raising funds		470,520	30,102	-	500,622	509,921
Charitable activities						
Education courses and events	2	-	170,770	-	170,770	178,061
Education	2,5	269,025	117,711	-	386,736	349,032
Volunteering	2,5	421,607	27,366	-	448,973	414,305
Membership Services	2,3,5	525,160	126,443	60	651,663	642,489
Total Charitable expenditure		1,215,792	442,290	60	1,658,142	1,583,887
Total operating expenditure		1,686,312	472,392	60	2,158,764	2,093,808
Net operating income / (expenditure)		32,493	159,683	(60)	192,116	(694)
Net gains/(losses) on investment assets		1,135	2,147	-	3,282	68,993
Net income / (expenditure)		33,628	161,830	(60)	195,398	68,299
Gross transfers between funds	2	(30,003)	30,868	(865)	-	-
Net movement in funds		3,625	192,698	(925)	195,398	68,299
Total funds brought forward		1,279,882	1,843,800	925	3,124,607	3,056,308
Total funds carried forward	2,3,15	1,283,507	2,036,498	-	3,320,005	3,124,607

There are no recognised gains or losses other than those shown above.

All activities derive from continuing operations.

The accompanying notes form part of the financial statements.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

BALANCE SHEETS

AS AT 31ST DECEMBER 2015

		Group		Charity	
	Notes	2015 £	2014 £	2015 £	2014 £
Fixed assets					
Tangible assets - property	6	733,392	736,760	733,392	736,760
Other tangible assets	7	9,616	13,927	9,616	13,927
Investments	8	1,456,948	1,453,666	1,491,948	1,488,666
		2,199,956	2,204,353	2,234,956	2,239,353
Current assets					
Stock & work in progress		10,256	6,105	-	-
Debtors	9	1,204,742	352,875	1,213,532	373,517
Cash at bank and in hand	10	1,906,233	1,578,745	1,778,220	1,421,238
		3,121,231	1,937,725	2,991,752	1,794,755
Liabilities					
Creditors: Amounts falling due within one year	11	(2,001,182)	(1,017,471)	(1,938,981)	(941,779)
Net current assets		1,120,049	920,254	1,052,771	852,976
Net assets		3,320,005	3,124,607	3,287,727	3,092,329
The Funds of the Charity					
Unrestricted funds		1,251,229	1,247,604	1,251,229	1,247,604
Non-charitable trading subsidiaries	4	32,278	32,278	-	-
TOTAL GENERAL FUNDS		1,283,507	1,279,882	1,251,229	1,247,604
Designated funds	2	2,036,498	1,843,800	2,036,498	1,843,800
Restricted funds	3	-	925	-	925
Total funds	15	3,320,005	3,124,607	3,287,727	3,092,329

These accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice (FRS 102 Charities SORP).

The accompanying notes form part of these financial statements.

Company registration number: 4307984

Approved by the Board on 30 March 2016 and signed on its behalf by:

JUNE ROBINSON
National Chairman

SHAUN PITT
National Treasurer

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 31ST DECEMBER 2015

	2015	2014
	£	£
Cash flow from operating activities		
Net cash provided by operating activities	305,917	48,887
Cash flows from investing activities		
Investment income and interest received	29,650	26,878
Proceeds from disposal of fixed asset investments excluding endowment funds	-	142,638
Acquisition of fixed asset investments excluding endowment funds	(468)	(459,081)
Payments to acquire tangible fixed assets	(7,611)	-
Net increase/(decrease) in cash and cash equivalents	327,488	(240,678)
Cash and cash equivalents at beginning of year	1,578,745	1,819,423
Cash and cash equivalents at end of year	1,906,233	1,578,745
Reconciliation of net income/ (expenditure) to net cash flow from operating activities		
	2015	2014
	£	£
Net income including endowments	195,398	68,299
Adjustments for:		
Depreciation charges	15,290	34,102
Net (gains)/ losses on investments	(2,815)	(79,668)
Loss on disposal of fixed assets	-	-
Investment income	(29,650)	(26,878)
Decrease/ (increase) in stock	(4,151)	9,651
Decrease/ (increase) in debtors	(851,867)	(90,720)
Increase/ (decrease) in creditors	983,712	134,101
Net cash provided by operating activities	305,917	48,887

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

1 ACCOUNTING POLICIES

The accounting policies remain unchanged from the previous year.

(a) BASIS OF ACCOUNTING

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. In particular these financial statements have been drawn up in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 (under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)) and the Charities Act 2011.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 January 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 December 2014. An explanation and reconciliation of how the transition has affected the reported financial position and financial performance is provided in note 17 to the financial statements.

- (b) The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) INCOMING RESOURCES

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

Subscriptions, including those for affiliate membership, are included in the statement of financial activities in the period to which they relate and any subscriptions received in advance are carried forward as deferred income.

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

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(d) RESOURCES EXPENDED

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable. Grant awards that are subject to the recipient fulfilling performance or other conditions are accrued when the recipient has been notified of the grant and either the performance condition is met or any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity. Those payable from the Zena Walker Fund are approved by the grants committee for the period of the related scholarship (usually three years) and are recognised equally over that period.

Charitable Activities

Costs of charitable activities include education courses and training, grants payable, volunteering and membership services and other costs directly attributable and apportionment of overhead, support and governance costs.

Overhead and support costs have been allocated first between charitable activity and governance.

Overhead and support costs relating to charitable activities have been apportioned based on usage. The allocation of overhead and support costs is analysed in note 5. Included within overhead and support are staff costs, administrative and general office costs and depreciation.

Governance Costs

Governance costs comprise all costs involving the public accountability and running of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, legal fees and trustee meeting expenses together with an apportionment of overhead and support costs.

(e) FIXED ASSETS

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

Freehold land - not depreciated

Freehold building - over two hundred years

Furniture, fixtures and equipment - over three to five years

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

(f) FIXED ASSET INVESTMENTS

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Unquoted investments in subsidiary undertakings are stated at cost less provision for any diminution in value.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(g) STOCKS & WORK IN PROGRESS

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

(h) INSURANCE

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

(i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less

(j) FUND ACCOUNTING

There are both restricted and unrestricted funds. Unrestricted funds are divided into general and designated funds.

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

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

Restricted funds are grants or donations with conditions attached by the donor. They may specify that the funds are used in a specific way or for a specific purpose.

(k) PENSIONS

Contributions are made either to a group personal pension plan or to individual staff members' personal pension plans and are recognised on an accruals basis.

(l) CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

2a GROUP DESIGNATED FUNDS

Designated funds comprise the Britcher Furlong bequest fund, the Patricia Fay memorial fund, the Zena Walker bequest fund, the David Bell memorial fund, the fares pool fund, the 50th anniversary fund, the IT equipment fund, the property fund, the property maintenance fund and the area funds. A summary of movements on these funds is shown below:

	Britcher Furlong Bequest Fund	Patricia Fay Memorial Fund	Zena Walker Bequest Fund	David Bell Memorial Fund	Fares Pool Fund	50th Anniversary Fund	IT Equipment Fund	Property Fund	Property Maintenance Fund	Area Funds	Total	Total
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2014
	£	£	£	£	£	£	£	£	£	£	£	£
Incoming resources												
Incoming resources from generated funds												
Voluntary income												
Subscriptions and fees from members	-	-	-	-	32,663	-	-	-	-	27,617	60,280	87,246
Gift Aid	-	81,341	-	-	-	-	-	-	-	-	81,341	92,543
Donations legacies and similar income	-	240,768	-	1,417	-	-	-	-	-	7,242	249,427	26,525
Educational course fees and events	-	-	-	-	-	-	-	-	-	203,631	203,631	184,386
Activities for generating funds												
Other income	-	-	-	-	-	-	-	-	-	25,229	25,229	33,878
Investment income												
Bank interest	370	2,541	-	-	-	-	-	-	-	379	3,290	2,855
Investment Income	-	5,447	3,430	-	-	-	-	-	-	-	8,877	10,635
Total incoming resources	370	330,097	3,430	1,417	32,663	-	-	-	-	264,098	632,075	438,068
Resources expended												
Costs of generated funds												
Costs of generating voluntary income												
Gift Aid - Societies' administration fees	-	30,102	-	-	-	-	-	-	-	-	30,102	31,228
Education courses and events	-	-	-	-	-	-	-	-	-	170,770	170,770	178,061
Charitable activities												
Education grants	-	71,500	4,300	12,000	-	-	-	-	-	29,912	117,712	99,680
Volunteering grants	5,900	17,040	-	-	-	-	-	-	-	4,425	27,365	26,286
Membership services grants	-	11,950	-	-	-	-	-	-	-	1,520	13,470	10,324
Prior year grants unclaimed	-	-	-	-	-	-	-	-	-	-	-	(6,234)
Membership services general	-	-	-	66	48,327	-	11,482	3,368	-	49,730	112,973	126,261
Total resources expended	5,900	130,592	4,300	12,066	48,327	-	11,482	3,368	-	256,357	472,392	465,606
Net income / (expenditure) before transfers	(5,530)	199,505	(870)	(10,649)	(15,664)	-	(11,482)	(3,368)	-	7,741	159,683	(27,538)
Transfers												
Gross transfers between funds												
General Fund - depreciation	-	-	-	-	-	-	-	3,368	-	-	3,368	3,734
Provision for 50th Anniversary Celebration	-	-	-	-	-	12,500	-	-	-	-	12,500	12,500
Transfer to Property Maintenance Fund	-	-	-	-	-	-	-	(3,368)	3,368	-	-	10,000
Provision for IT project and other equipment	-	-	-	-	-	-	15,000	-	-	-	15,000	15,000
Net incoming resources before other recognised gains and losses	(5,530)	199,505	(870)	(10,649)	(15,664)	12,500	3,518	(3,368)	3,368	7,741	190,551	13,696
Other recognised gains												
Gain (loss) in the value of investments:												
Realised	-	-	-	-	-	-	-	-	-	-	-	971
Unrealised	-	3,756	(1,609)	-	-	-	-	-	-	-	2,147	20,194
Net movement in funds	(5,530)	203,261	(2,479)	(10,649)	(15,664)	12,500	3,518	(3,368)	3,368	7,741	192,698	34,861
Funds brought forward	43,755	525,343	150,146	16,948	24,112	25,000	96,966	736,780	54,803	169,967	1,843,800	1,808,939
Funds carried forward	38,225	728,604	147,667	6,299	8,448	37,500	100,484	733,392	58,171	177,708	2,036,498	1,843,800
Fund balances are represented by:												
Property	-	-	-	-	-	-	-	733,392	-	-	733,392	736,760
Fixed assets	-	-	-	-	-	-	1,089	-	-	-	1,089	12,571
Investments	-	482,538	136,703	-	-	-	-	-	-	-	619,241	617,093
Current assets	38,648	828,142	19,564	10,176	60,108	37,500	99,395	-	58,171	247,196	1,398,900	1,076,632
Creditors due within one year	(423)	(582,076)	(8,600)	(3,877)	(51,660)	-	-	-	-	(69,488)	(716,124)	(599,256)
Total net assets	38,225	728,604	147,667	6,299	8,448	37,500	100,484	733,392	58,171	177,708	2,036,498	1,843,800

Designations of £12,500 to the 50th anniversary fund (2014 - £12,500), £15,000 (2014 - £15,000) to the IT fund and £3,368 (2014 - £13,734) to the property maintenance fund have been made from the general fund in the year.

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

- The Britcher Furlong bequest fund
This fund derives from a bequest of £100,000 from Mr Rex Britcher and Dr George Furlong, and is to be spent on worthwhile projects and/or capital items for the benefit of members. The fund is administered by the trustees. The fund capital is usable and at the present rate of expenditure, will last a further eight years.
- Patricia Fay memorial fund
This fund, established in 1981, is administered by the trustees and provides grants. This is NADFAS's main grant giving fund. Grants are funded from investment income, gift aid, donations and legacies, but capital is maintained and the Trustees intend that the fund will continue to distribute its income as grants.
- The Zena Walker bequest fund
This fund derives from a bequest of £120,790 from Mrs Zena Walker and income generated is to be used for an annual scholarship which is administered by the trustees. The capital of the fund is intended to remain and generate sufficient income to fund this annual scholarship.
- The David Bell memorial fund
This fund was set up in memory of Mr David Bell (CEO of NADFAS 2005 to 2013) who died on 1st September 2013. The money collected will be used to help young people setting out on a career in the arts or conservation. It is intended that the fund will be expended by the end of 2016.
- Fares Pool fund
This fund was set up in 2013, it relates to income collected and claims made from societies. The fares pool had been established to enable all societies to attend the main meetings held by NADFAS such as the annual directory meeting and annual general meeting etc. Any profits generated by the fares pool during the years the meetings are held in London will be retained by the fund to offset the costs of the more expensive out of London AGM. The fund will continue indefinitely, but is intended to break even over three year cycles, and has no long term capital.
- 50th Anniversary fund
This fund was set up in 2013. The NADFAS 50th anniversary will be in 2018. The trustees have decided to set aside funds for the commemoration of this anniversary, and the fund will be expended at that time.
- The IT Equipment Fund
This designation represents the usage of funds set aside for future replacement of IT and Communications equipment (hardware and software). fund is intended to continue but only for this purpose, and is intended to break even in the long term as funds are accumulated and then spent.
- Property Fund
This designation represents the extent to which funds are invested in the property for the use by the Charity and are therefore not available for other purposes, and is intended to continue for the foreseeable future.
- Property Maintenance Fund
This designation represents funds set aside for major maintenance or refurbishment at NADFAS House. The fund will continue for the foreseeable future, and will be used to fund major repairs or refurbishments of NADFAS House.
- Area Funds
This designation represents NADFAS funds for which administration responsibility is delegated by the Trustees to NADFAS's Area Committees. The designation will continue for the foreseeable future.
- Comparative figures for each fund can be found in Note 2b.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

2b GROUP DESIGNATED FUNDS

Designated funds comprise the Britcher Furlong bequest fund, the Patricia Fay memorial fund, the Zena Walker bequest fund, the David Bell memorial fund, the fares pool fund, the 50th anniversary fund, the IT equipment fund, the property fund, the property maintenance fund and the area funds. A summary of movements on these funds is shown below:

	Britcher Furlong Bequest Fund	Patricia Fay Memorial Fund	Zena Walker Bequest Fund	David Bell Memorial Fund	Fares Pool Fund	50th Anniversary Fund	IT Equipment Fund	Property Fund	Property Maintenance Fund	Area Funds	Total
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
	£	£	£	£	£	£	£	£	£	£	£
Incoming resources											
Incoming resources from generated funds											
Voluntary income											
Subscriptions and fees from members	-	-	-	-	61,495	-	-	-	-	25,751	87,246
Gift Aid	-	92,543	-	-	-	-	-	-	-	-	92,543
Donations legacies and similar income	-	10,467	-	6,840	-	-	-	-	-	9,218	26,525
Educational course fees and events	-	-	-	-	-	-	-	-	-	184,386	184,386
Activities for generating funds											
Other income	-	-	-	-	-	-	-	-	-	33,878	33,878
Investment income											
Bank interest	347	2,189	-	-	-	-	-	-	-	319	2,855
Investment Income	-	4,045	6,590	-	-	-	-	-	-	-	10,635
Total incoming resources	347	109,244	6,590	6,840	61,495	-	-	-	-	253,552	438,068
Resources expended											
Costs of generated funds											
Costs of generating voluntary income											
Gift Aid - Societies' administration fees	-	31,228	-	-	-	-	-	-	-	-	31,228
Education courses and events	-	-	-	-	-	-	-	-	-	178,061	178,061
Charitable activities											
Education grants	-	63,125	4,300	6,500	-	-	-	-	-	25,755	99,680
Volunteering grants	5,842	16,044	-	-	-	-	-	-	-	4,400	26,286
Membership services grants	-	9,000	-	-	-	-	-	-	-	1,324	10,324
Prior year grants unclaimed	-	(6,234)	-	-	-	-	-	-	-	-	(6,234)
Membership services general	-	-	-	199	48,758	-	29,420	3,734	-	44,150	126,261
Total resources expended	5,842	113,163	4,300	6,699	48,758	-	29,420	3,734	-	253,690	465,606
Net income / (expenditure) before transfers	(5,495)	(3,919)	2,290	141	12,737	-	(29,420)	(3,734)	-	(138)	(27,538)
Transfers											
Gross transfers between funds											
General Fund - depreciation	-	-	-	-	-	-	-	3,734	-	-	3,734
Provision for 50th Anniversary Celebration	-	-	-	-	-	12,500	-	-	-	-	12,500
Transfer to Property Maintenance Fund	-	-	-	-	-	-	-	(3,734)	13,734	-	10,000
Provision for IT project and other equipment	-	-	-	-	-	-	15,000	-	-	-	15,000
Net incoming resources before other recognised gains and losses	(5,495)	(3,919)	2,290	141	12,737	12,500	(14,420)	(3,734)	13,734	(138)	13,696
Other recognised gains											
Gain (loss) in the value of investments:											
Realised	-	(1,129)	2,100	-	-	-	-	-	-	-	971
Unrealised	-	15,948	4,246	-	-	-	-	-	-	-	20,194
Net movement in funds	(5,495)	10,900	8,636	141	12,737	12,500	(14,420)	(3,734)	13,734	(138)	34,861
Funds brought forward	49,250	514,443	141,510	16,807	11,375	12,500	111,386	740,494	41,069	170,105	1,808,939
Funds carried forward	43,755	525,343	150,146	16,948	24,112	25,000	96,966	736,760	54,803	169,967	1,843,800
Fund balances are represented by:											
Property	-	-	-	-	-	-	-	736,760	-	-	736,760
Fixed assets	-	-	-	-	-	-	12,571	-	-	-	12,571
Investments	-	478,781	138,312	-	-	-	-	-	-	-	617,093
Current assets	43,624	562,130	16,134	16,948	32,834	25,000	84,395	-	54,803	240,764	1,076,632
Creditors due within one year	131	(515,568)	(4,300)	-	(8,722)	-	-	-	-	(70,797)	(599,256)
Total net assets	43,755	525,343	150,146	16,948	24,112	25,000	96,966	736,760	54,803	169,967	1,843,800

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

3 GROUP RESTRICTED FUND

This comprises income and expenditure related to a collaborative project with a number of other charities with aims commensurate with those of NADFAS. The aim of the project is to mobilise volunteers in commemoration of the 100th anniversary of World War I. Initial funding for the project was provided by the Department of Communities and Local Government. The fund was completed in 2015.

	2015	2014
	£	£
Incoming resources		
Incoming resources from generated funds		
Voluntary income		
Donations legacies and similar income	-	-
Total incoming resources	<u>-</u>	<u>-</u>
Resources expended		
Costs of generated funds		
Charitable activities		
Membership services general	60	24,060
Total resources expended	<u>60</u>	<u>24,060</u>
Net (expenditure) / income before transfers	(60)	(24,060)
Transfers		
Gross transfers between funds		
Transfer to General Fund	(865)	-
Net (expenditure) / incoming resources before other recognised gains and losses	<u>(925)</u>	<u>(24,060)</u>
Funds brought forward	925	24,985
Funds carried forward	<u><u>-</u></u>	<u><u>925</u></u>
<u>Fund balances are represented by:</u>		
Current assets	-	925
Total net assets	<u><u>-</u></u>	<u><u>925</u></u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

4 NET INCOME FROM TRADING SUBSIDIARIES

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

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

	NADFAS Enterprises Ltd		NADFAS Tours Ltd		Total	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Turnover	461,226	453,123	209,176	217,453	670,402	670,576
Cost of sales	(377,082)	(374,659)	-	-	(377,082)	(374,659)
Gross profit	84,144	78,464	209,176	217,453	293,320	295,917
Administration Expenses	(50,349)	(50,411)	(42,472)	(48,588)	(92,821)	(98,999)
Other income	50	46	88	33	138	79
Profit before taxation	33,845	28,099	166,792	168,898	200,637	196,997
Taxation	-	-	-	-	-	-
Profit after taxation	33,845	28,099	166,792	168,898	200,637	196,997
Donation to NADFAS	(33,845)	(28,099)	(166,792)	(168,898)	(200,637)	(196,997)
Profit retained in subsidiary	-	-	-	-	-	-
Profit retained brought forward	32,278	32,278	-	-	32,278	32,278
Profit retained carried forward	32,278	32,278	-	-	32,278	32,278
Capital and Reserves						
Share capital	5,000	5,000	30,000	30,000	35,000	35,000
Profit and Loss Account	32,278	32,278	-	-	32,278	32,278
Shareholders' Funds	37,278	37,278	30,000	30,000	67,278	67,278

Turnover of NADFAS Enterprises (Company no 1923665) in 2015 includes £126,424 (2014 - £154,683) charged to NADFAS for the publication of NADFAS Review and £23,856 (2014 - £23,856) charged to NADFAS Tours Limited for advertising, both of which are eliminated on consolidation when arriving at the group trading subsidiaries income of £520,122 (2014 - £492,037).

Administration costs of NADFAS Tours Limited (Company No 1961048) include £23,856 (2014 - £23,856) paid to NADFAS Enterprises Limited for advertising, which is eliminated on consolidation. Also, other apportioned charges paid by NADFAS on behalf of NADFAS Enterprises Limited of £19,980 (2014 - £25,383) and of NADFAS Tours Limited of £4,493 (2014 - £3,508) are included when arriving at the group trading subsidiaries expenditure of £470,520 (2014 - £478,693).

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

5 RESOURCES EXPENDED

a) DIRECT STAFF COSTS AND EMPLOYEES

	Group General	Group General
	2015	2014
	£	£
Salaries	607,241	585,849
Pension contributions	51,083	44,863
Social Security costs	65,181	63,750
	<u>723,505</u>	<u>694,462</u>

The number of employees whose emoluments (salaries and benefits in kind) fell within the following bands:

	2015	2014
	Number	Number
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 2 (2014: nil). The comparative figure was nil because the relevant CEO was only in place for part of that year .

b) STAFF NUMBERS

The average number of staff employed was 17 (2014: 16 staff) and the average number of full-time equivalent employees (including casual and part time staff) during the period was as follows:

	2015	2014
	Number	Number
Education Courses and Events	-	-
Education	4	4
Volunteering	6	5
Membership Services	<u>7</u>	<u>7</u>
	<u>17</u>	<u>16</u>

c) TRUSTEE AND KEY MANAGEMENT PERSONNEL

A total of £27,618 (2014: £20,993) was reimbursed to 14 trustees in the year for travel and other incidental expenses.

None of the trustees who served during the period received any remuneration for their services £nil (2014 - £Nil)

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were £Nil (2014: £Nil).

d) PENSIONS

Contributions (on a defined contribution basis) are made either to a group personal pension plan or to individual staff members' personal pension plans at a rate of 5% of basic salary, plus up to a further 5% to match employee contributions. The total pension costs paid during the year (and comparatives) are disclosed in note 5a.

e) AUDITORS' FEES

	Group	Group
	2015	2014
	£	£
Audit	15,794	15,408
Areas	792	774
Taxation services	<u>1,730</u>	<u>1,690</u>

f) DEPRECIATION

Depreciation on owned assets	<u>15,290</u>	<u>34,012</u>
------------------------------	---------------	---------------

g) ANALYSIS OF GRANTS

		Number	Number	Group	Group
		2015	2014	2015	2014
				£	£
Designated Funds	Education grants	55	42	105,711	92,680
	Volunteering grants	39	61	30,885	26,285
	Membership services grants	13	11	9,951	10,824
General Funds	Church recording photography	<u>31</u>	<u>44</u>	<u>4,754</u>	<u>5,567</u>
		<u>138</u>	<u>158</u>	<u>151,301</u>	<u>135,356</u>

5 RESOURCES EXPENDED (continued)

h) ALLOCATION OF SUPPORT COSTS AND OVERHEADS

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

2015	Education	Volunteering	Membership Services	Governance	Total 2015
	£	£	£	£	£
Costs directly allocated to activities					
Staff Costs	102,658	166,688	189,693	61,812	520,851
Staff and Volunteering expenses	7,442	26,990	43,516	45,647	123,595
Grants	-	3,954	14,338	800	19,092
Information technology	-	-	-	113	113
Publicity and events costs	29,683	6,623	16,272	41,967	94,545
Legal and Professional fees (inc Audit fees)	-	-	-	26,655	26,655
Support costs directly allocated	2,692	11,870	27,500	11,317	53,379
Directly allocated Total	142,475	216,125	291,319	188,311	838,230
Support costs apportioned to activities by usage					
Staff Costs	35,800	58,130	66,153	-	160,083
Staff and Volunteer expenses	7,764	12,607	14,346	-	34,717
Information Technology	14,447	23,459	26,696	-	64,602
Publicity and Event costs	1,367	2,219	2,526	-	6,112
General Office	1,407	2,285	2,601	-	6,293
Premises & Insurance	18,409	29,892	34,017	-	82,318
Stationery, Printing, Postage and Telephone	4,257	6,911	7,865	-	19,033
Depreciation	985	1,599	1,820	-	4,404
Governance costs allocated to activities	42,113	68,380	77,818	(188,311)	-
Support costs total	126,550	205,482	233,841	(188,311)	377,562
Resources Expended Total	269,025	421,607	525,160	-	1,215,792

2014	Education	Volunteering	Membership Services	Governance	Total 2014
	£	£	£	£	£
Costs directly allocated to activities					
Staff Costs	97,847	152,513	186,345	55,598	492,303
Staff and Volunteering expenses	7,817	27,232	42,045	54,609	131,703
Grants	-	5,567	-	-	5,567
Information technology	-	317	360	1,115	1,792
Publicity and events costs	27,025	6,726	26,601	38,076	98,428
Legal and Professional fees (inc Audit fees)	150	-	-	23,696	23,846
Support costs directly allocated	3,272	19,156	17,066	9,157	48,651
Directly allocated Total	136,111	211,511	272,417	182,251	802,290
Support costs apportioned to activities by usage					
Staff Costs	28,104	43,805	53,522	-	125,430
Staff and Volunteer expenses	4,162	6,487	7,926	-	18,575
Information Technology	21,441	33,420	40,834	-	95,695
Publicity and Event costs	1,287	2,006	2,451	-	5,743
General Office	1,534	2,391	2,921	-	6,845
Premises & Insurance	12,016	18,730	22,885	-	53,631
Stationery, Printing, Postage and Telephone	3,671	5,721	6,990	-	16,382
Depreciation	192	300	366	-	858
Governance costs allocated to activities	40,835	63,649	77,768	(182,251)	-
Support costs total	113,241	176,508	215,661	(182,251)	323,159
Resources Expended Total	249,352	388,019	488,078	-	1,125,449

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

6 PROPERTY

**Group & Charity
Freehold Property**

£

Cost	
As at 1st January and at 31st December 2015	<u>783,904</u>
Depreciation	
As at 1st January 2015	47,144
Charge for period	<u>3,368</u>
As at 31st December 2015	<u>50,512</u>
Net book value:	
31st December 2015	<u><u>733,392</u></u>
31st December 2014	<u><u>736,760</u></u>

Freehold property acquired by NADFAS on 2nd June 1994 consisted of a Grade II listed building at 8 Guilford Street, London WC1N 1DA (valued at £255,000 in 1994) and land (valued at £130,000 in 1994). Building work of £50,823 had to be carried out after the date of valuation. Subsequent building work to the value of £348,081 took place in 2005 / 2006. The property is insured for £1,634,769. The Trustees have reviewed the condition of the freehold property and believe that the market value is at least equal to the net book value of £733,392.

7 OTHER TANGIBLE FIXED ASSETS

**Group & Charity
Furniture, Fixtures
& Equipment**

£

Cost	
As at 1st January 2015	327,076
Additions in the period	<u>7,611</u>
As at 31st December 2015	334,687
Depreciation	
As at 1st January 2015	313,149
Charge for period	<u>11,922</u>
As at 31st December 2015	<u>325,071</u>
Net Book Value	
31st December 2015	<u><u>9,616</u></u>
31st December 2014	<u><u>13,927</u></u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

8 INVESTMENTS

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Unrestricted Funds				
<u>Unlisted investment - at cost</u>				
Subsidiary companies:				
- NADFAS Enterprises Ltd	-	-	5,000	5,000
- NADFAS Tours Ltd	-	-	30,000	30,000
<u>Listed Investments - at market value</u>				
<u>Equity Units/Shares:</u>				
CCLA COIF 10,197,570 income units	125,783	124,245	125,783	124,245
Grupo Santander (formerly Abbey National plc) 120 ordinary shares (2014 -100 shares)	406	532	406	532
RCM (Allianz Global) Overseas Equity 8,678,980 accumulation units	303,157	297,429	303,157	297,429
RCM (Allianz Global) Overseas Equity 3,398,290 income units	89,681	89,035	89,681	89,035
Legal & General CAF UK Equitrack Fund 322,123,978 accumulation units (2014 - 321,800,427	315,617	311,632	315,617	311,632
Legal & General CAF UK Equitrack Fund 326,664,407 income units (2014 - 326,543,899 units)	225,856	230,769	225,856	230,769
<u>Fixed Interest Funds:</u>				
Legal & General Gilt Trust 33,084,112 accumulation units	65,904	65,837	65,904	65,837
Legal & General Gilt Trust 119,258,953 income units	135,836	137,983	135,836	137,983
Legal & General Sterling Corporate Bond Index Fund 197,863,079 accumulation units	110,843	110,625	110,843	110,625
Legal & General Sterling Corporate Bond Index Fund 161,714,170 income units	83,865	85,579	83,865	85,579
	<u>1,456,948</u>	<u>1,453,666</u>	<u>1,491,948</u>	<u>1,488,666</u>

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Reconciliation of movement in investments:				
As at 1st January 2015	1,453,666	1,057,642	1,488,666	1,092,642
Additions	467	459,081	468	459,081
Disposals at market value at 1st January 2015	-	(142,638)	-	(142,638)
Increase arising on revaluations in the year	2,815	79,581	2,815	79,581
Market value at 31st December 2015	<u>1,456,948</u>	<u>1,453,666</u>	<u>1,491,949</u>	<u>1,488,666</u>
Historical cost at 31st December 2015	<u>1,047,166</u>	<u>1,047,166</u>	<u>1,082,166</u>	<u>1,082,166</u>
Reconciliation of movement in unrealised gains/losses in investments, excluding subsidiaries:				
Unrealised gains at 1st January 2015	406,500	349,220	406,500	349,220
Unrealised deficit on investment disposals	-	1,783	-	1,783
Net increase arising on revaluations in the period	3,282	55,497	3,284	55,497
Unrealised gain as at 31st December 2015	<u>409,782</u>	<u>406,500</u>	<u>409,784</u>	<u>406,500</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

9 DEBTORS

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	1,057,441	176,375	862,144	-
NADFAS Enterprises Limited	-	-	20,163	16,647
NADFAS Tours Limited	-	-	183,924	188,090
Other debtors	52,906	35,224	52,906	27,668
Prepayments & accrued income	94,395	141,276	94,395	141,112
	<u>1,204,742</u>	<u>352,875</u>	<u>1,213,532</u>	<u>373,517</u>

Trade debtors shows a significant increase because requests for payment of the 2016 affiliation fees and insurance costs have been included at full value, having been sent before 31 December 2015. A related increase in deferred income is shown in note 11.

10 CASH AT BANK AND IN HAND

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
General Funds	609,805	588,760	481,792	431,253
Designated Funds:				
Patricia Fay Memorial Fund	765,977	463,974	765,977	463,974
Britcher Furlong Bequest	37,648	42,624	37,648	42,624
Zena Walker Bequest	19,564	16,134	19,564	16,134
David Bell Memorial Fund	10,176	16,949	10,176	16,949
Fares Pool Fund	22,868	32,835	22,868	32,835
50th Anniversary Fund	37,500	25,000	37,500	25,000
Maintenance Fund	58,171	54,803	58,171	54,803
IT Fund	99,395	84,395	99,395	84,395
Area Funds	245,129	240,346	245,129	240,346
Restricted Fund				
Remember World War I	-	12,925	-	12,925
	<u>1,906,233</u>	<u>1,578,745</u>	<u>1,778,220</u>	<u>1,421,238</u>

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

11 CREDITORS: amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
General Funds:				
Trade creditors	17,377	31,159	15,146	19,136
Other creditors	2,323	4,192	2,323	4,192
Other taxes and social security costs	32,885	37,407	17,568	16,621
Accruals	25,389	24,044	17,411	16,511
Deferred income	1,192,745	309,413	1,156,070	274,063
Designated Funds:				
Loans - Patricia Fay memorial fund	541,025	480,025	541,025	480,025
Accruals and deferred Income	127,910	71,973	127,910	71,973
Area Funds - deferred Income	61,528	59,258	61,528	59,258
	<u>2,001,182</u>	<u>1,017,471</u>	<u>1,938,981</u>	<u>941,779</u>

Charity deferred income for the General Fund at 31 December 2015 includes affiliation fees and insurance charges of £1,156,070 (2014 - £273,543) and study courses and events fees of £Nil (2014 - £520) invoiced in advance. Group deferred income in addition includes lecturers subscriptions of £36,675 (2014 - £35,350).

Deferred income shows a significant increase because requests for payment of the 2016 affiliation fees and insurance have been included at full value, having been sent before 31 December 2015. A corresponding increase in trade debtors is shown in note 9.

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

12 DEFERRED INCOME

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
As at 1 January 2015	368,671	259,514	333,321	227,282
Amounts deferred during the period	1,254,273	368,671	1,217,598	333,321
Amounts released during the period	(368,671)	(259,514)	(333,321)	(227,282)
Balances carried forward as at 31 December 2015	<u>1,254,273</u>	<u>368,671</u>	<u>1,217,598</u>	<u>333,321</u>

13 RELATED PARTY TRANSACTIONS

The Group has taken exemption under paragraph 33.1A of FRS 102 from disclosing transactions with wholly owned subsidiaries consolidated in these financial statements.

14 ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

THE NATIONAL ASSOCIATION OF DECORATIVE & FINE ARTS SOCIETIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015 (CONTINUED)

15 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General	Designated	Restricted	Total
	2015	2015	2015	2015
	£	£	£	£
Property and other tangible assets	8,527	734,481	-	743,008
Investments	837,706	619,242	-	1,456,948
Current assets	1,707,993	1,413,238	-	3,121,231
Creditors: amounts falling due within one year	(1,270,719)	(730,463)	-	(2,001,182)
TOTAL NET ASSETS	1,283,507	2,036,498	-	3,320,005

	General	Designated	Restricted	Total
	2014	2014	2014	2014
	£	£	£	£
Property and other tangible assets	1,356	749,331	-	750,687
Investments	836,573	617,093	-	1,453,666
Current assets	860,168	1,076,632	925	1,937,725
Creditors: amounts falling due within one year	(418,215)	(599,256)	-	(1,017,471)
TOTAL NET ASSETS	1,279,882	1,843,800	925	3,124,607

16 CAPITAL COMMITMENTS

There were no other contractual obligations at 31 December 2015 (2014 - nil).

17 TRANSITION TO FRS 102

This is the first year that the Charity has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was 1 January 2014. There have been no changes in accounting policies on transition.

There have been no adjustments made in order to comply with the new SORP FRS 102.