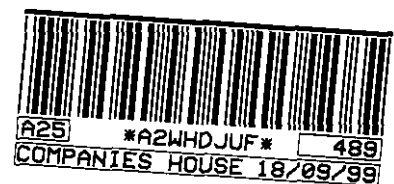


For the 15 months period ended 31 March 1999

**The Contemporary Art Society
(A charitable company limited by
guarantee)**

Charity Number: 208178

Company Number: 255486



THE CONTEMPORARY ART SOCIETY

TRUSTEES

Oliver Prenn	-	Chairman
Jim Moyes	-	Vice Chairman
Pesh Framjee	-	Honorary Treasurer
Mark Stephens	-	Honorary Solicitor
Wendy Baron		
Janice Blackburn		
Lance Blackstone		
Rupert Gavin		
Robert Hopper		
Ann Stanton		
Sean Rainbird		
Roberta Thomson		
Jolyon Barker		

COMPANY SECRETARY

Lance Blackstone

PRINCIPAL ADDRESS

17 Bloomsbury Square
London WC1A 2LP

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Auditors' Report	4
Consolidated Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7 - 14

THE CONTEMPORARY ART SOCIETY

TRUSTEES' REPORT

The Trustees present their report and the financial statements for the period ended 31 March 1999. The Society is a registered charity and a company limited by guarantee. It is governed by its memorandum and articles of association.

RESULTS

The results of the Society for the 15 months period ended 31 March 1999 are set out in the financial statements on pages 5 to 14.

REVIEW

The principal activity of the Society continued to be the promotion of contemporary art and the acquisition of works by living artists for presentation to public collections in Great Britain.

1998 began as it ended, with a successful art market. Two ARTfutures were staged: one in January at the Business Design Centre and a larger version at the Royal Festival Hall in November. The double income from these, and sponsorship for marketing respectively from Unilever and the Gulbenkian Foundation, is reflected in the robustness of the annual accounts.

These represent a substantial improvement on the figures for 1997 (during which no art market was held) but incoming resources cannot be permanently sustained at this level. 1998/9's accounts feature a one-off gift of works valued at £242,625 from the Nancy Balfour Bequest. Donations from David, Maggi and Daniel Gordon, to mark David's retirement, and from his successor Oliver Prenz to support both purchase and salary costs, were gratefully received.

Purchases continue to be made steadily by Janice Blackburn, Jenni Lomax, Sean Rainbird and Robert Hopper. Their judgement, sensitivity and commitment is much appreciated. All purchases, and donated works, will be offered to member museums through the next distribution exhibition in spring 2000.

CAS is now coming into line with its funders, clients and member museums by beginning its financial year on 1 April from 1999 onwards; 1998/9 was consequently a 15 month period.

1998/9 saw a considerable improvement in the level of grants received. Funding from the Henry Moore Foundation was increased by £45,000 over three years to mark the centenary of the sculptor's birth. The Esme Fairbairn Charitable Trust awarded CAS £60,000 for a three year project to enable six new museums to join and for CAS to develop an education programme to enhance gifts to museums. They also generously recognised the need for additional core funding within their grant. The Arts Council of England and the Crafts Council continued their grant aid for, respectively, museum liaison work and craft purchases. The Paul Hamlyn Foundation recognised the importance of curatorial development through travel, funding a programme of visits within Britain and Ireland. The three Regional Arts Boards in the Midlands have funded CAS to include curators in their area within both the national and international curatorial visit programmes.

These programmes marked the successful launch of the Contemporary Art Society Special Collection Scheme, funded by the Arts Council Lottery, with support from the Crafts Council. Although much of the time of Mary Doyle, Collection Curator, in 1998 was devoted to finalising the contract between the Lottery, CAS and 15 partner museums, it was possible for her to begin a series of group visits and carefully targeted day sessions with individual curators.

Events, talks and visits for individual members continued to reach the places and people that other friends' groups cannot reach. Highlights of the year include the creation of CAST - Contemporary Art Society Tours, supported by The Elephant Trust, which visit out of the way and artist-led spaces. A regular group of devotees plus new members and art tourists take part each month.

THE CONTEMPORARY ART SOCIETY

TRUSTEES' REPORT (continued)

REVIEW (continued)

40 members enjoyed a memorable trip to the Basque country in October, visiting not only the Guggenheim in Bilbao and many remarkable restaurants but also, as the first invited group beyond his family and friends, Eduardo Chillida's spectacular private sculpture park near San Sebastian. Gill Hedley, Director of CAS, stayed on in the Basque country to lead a group of 30 professionals funded by the three northern Regional Arts Boards on a four day visit to look at cultural regeneration.

Elizabeth Tulip, who organised the visit, left to join the London Arts Board. Daniel Belasco Rogers also left to return to his previous career in the theatre and Sara Grant Thorold has chosen to work freelance after her maternity leave. Their successors are Kate Steel, Brendan Caylor and Lara Donaldson.

David Gordon retired as Chairman in June 1998 and has been succeeded by Oliver Prenn. The Committee would like to thank David Gordon for his efforts throughout the seven years of his chairmanship which included the difficult move back to Bloomsbury from the Tate in 1997 and the triumph of the Lottery bid later the same year. Oliver Prenn was Vice Chairman of the Serpentine Gallery from 1987 to 1993 and is an Honorary Patron of New Art at the Tate.

CAS depends heavily on freelance and voluntary help throughout each year and would like to acknowledge the work undertaken by Ingrid Swenson and Katherine Stout for The Economist, Matthew Poole for CASP and all ARTfutures staff especially Clive Garland, his team and Judith Davies, Tabitha Cocksedge, Jean Wainwright and Violet McLean. ARTfutures could not take place without the commitment and vision of Jeni Walwin who selects all the work with the help of CAS staff. Jessica Wallwork provided essential support and joined CAS permanently in January 1999.

ARTfutures is the major fund-raising initiative of Contemporary Art Society Projects. During her first year as Projects Director Cat Newton-Groves has concentrated on development work with new and existing clients, overseeing the successful launch of Art at the Ark for Seagram's and becoming permanent curator of the Unilever art collection. Eilis O'Connell's sculpture Helix was commissioned by CASP on behalf of Development Securities for a new building at One Curzon Street, an international collection of photography and video was purchased for the Royal Armouries in Leeds and new projects with private clients were initiated.

1998 has clearly been characterised by change. New and enthusiastic staff and committee members joined a team determined to increase fee income, develop fund-raising initiatives and deliver a first successful year of the vitally important Special Collection Scheme.

New letterheading and marketing leaflets were printed in 1998 with a grant from Unilever.

Nancy Balfour's Bequest of 350 works of art was given to CAS without any pre-conditions and a subsequent grant from the Nancy Balfour Trust helped with storage costs. An appeal was launched in September 1998 to raise funds for the purchase of works of art and to benefit other arts organisations supported by Nancy Balfour. £12,000 has been raised to date, thanks to a launch party sponsored by The Economist.

An early painting of his parents by Victor Pasmore was given from the Bequest by CAS to the Tate Gallery in memory of Nancy Balfour. A selection of works will form a touring exhibition during 1999/2000 before works are divided into those which will be presented to museums and others which will be sold to raise further purchase funds.

A memorial fund was also created by CAS and the Tate Guides to honour Cecily Lowenthal. £2,600 has been raised and a work will be given to the Tate Gallery. CAS has also presented four works from the Bernard Meninsky Bequest to the Ben Uri Art Gallery in Cecily's memory.

THE CONTEMPORARY ART SOCIETY

TRUSTEES' REPORT (continued)

REVIEW (continued)

1998 was marked by departures and welcomes. Funders, donors, members, sponsors, clients and ARTfutures purchasers have helped us to improve our financial position and we are grateful to every one of them. Although our purpose is to benefit artists, as well as museums, the Chairman, Committee and staff of the Contemporary Art Society do not forget how much artists, in turn, support our work and encourage others to do so.

TRUSTEES

The trustees, the directors of the company, set out in the table below have held office during the whole of the period from 1 January 1998 to the date of this report unless otherwise stated.

Oliver Prenn	-	(Chairman)	(appointed 25 June 1998)
Jim Moyes	-	(Vice Chairman)	
Pesh Framjee	-	(Honorary Treasurer)	
Mark Stephens	-	(Honorary Solicitor)	
David Gordon	-	(resigned 25 June 1998)	
Wendy Baron			
Janice Blackburn			
Lance Blackstone			
Rupert Gavin			
Paul Hedge	-	(resigned 9 March 1999)	
Robert Hopper			
Ann Stanton			
Sean Rainbird			
Roberta Thomson	-	(appointed 25 March 1999)	
Jolyon Barker	-	(appointed 25 March 1999)	

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

On 1 September 1998 our auditors, Neville Russell, changed their name to Mazars Neville Russell. Mazars Neville Russell have signified their willingness to continue in office.

Chairman

Dated:

22 June 1999

AUDITOR'S REPORT TO THE MEMBERS OF

THE CONTEMPORARY ART SOCIETY

We have audited the financial statements on pages 5 to 14 which have been prepared following the accounting policies set out on pages 7 and 8.

Respective responsibilities of trustees and auditors

As described on page 3 the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1999 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARTERED ACCOUNTANTS
and Registered Auditors

London

23-6-99

CONTEMPORARY ART SOCIETY GROUP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating a consolidated income and expenditure account)

For the 15 months period ended 31 March 1999

	Notes	Unrestricted funds £	Restricted funds £	Total 31.03.1999 £	Total 31.12.1997 £
Incoming resources:					
Fees		186,672	-	186,672	71,235
Subscriptions and donations	2	89,928	54,902	144,830	64,200
Legacies		246,625	-	246,625	-
Arts Council Award		30,000	-	30,000	30,000
Arts Council Lottery funding	9	-	29,462	29,462	-
Lottery scheme contributions	9	-	233,125	233,125	-
Other grants	3	2,900	112,100	115,000	6,250
Ticket sales for events		36,426	-	36,426	42,796
Interest and dividends		13,262	-	13,262	9,242
Other income		4,433	-	4,433	18,595
Total income resources		610,246	429,589	1,039,835	242,318
Resources expended					
Direct charitable					
Advice, training and collection support					
Art purchases		124,764	60,238	185,002	118,727
Art market		5,000	33,257	38,257	80,252
Members' events and support activities		35,531	17,000	52,531	-
		58,939	-	58,939	46,364
		224,234	110,495	334,729	245,343
Other expenditure:					
Fundraising and publicity		12,242	-	12,242	11,323
Management and administration		122,302	-	122,302	81,319
Total resources expended	4	358,778	110,495	469,273	337,985
Net incoming/(outgoing) resources		251,468	319,094	570,562	(95,667)
Revaluation of investment	6	721	-	721	977
Net movement in funds		252,189	319,094	571,283	(94,690)
Fund balances brought forward as restated	9	208,222	34,868	243,090	292,585
Fund balances carried forward		£460,411	£353,962	£814,373	£197,895

The above figures all relate to continuing operations and include all recognised surpluses and deficits

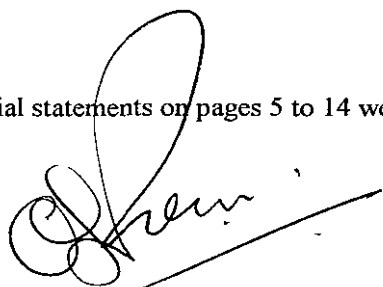
CONTEMPORARY ART SOCIETY GROUP

BALANCE SHEET at 31 March 1999

		Group		Charity	
	Notes	31.03.1999 £	31.12.1997 £	31.03.1999 £	31.12.1997 £
FIXED ASSETS					
Tangible assets	5	2,971	600	2,656	-
Investments	6	30,885	30,164	45,885	45,164
Works of art	9	45,195	-	45,195	-
		<u>79,051</u>	<u>30,764</u>	<u>93,736</u>	<u>45,164</u>
CURRENT ASSETS					
Stocks		309,754	71,379	306,800	68,425
Debtors	7	217,775	78,600	229,832	30,658
Short term deposits		109,000	70,000	109,000	70,000
Cash at bank and in hand		211,893	5,794	170,747	5,395
		<u>848,422</u>	<u>225,773</u>	<u>816,379</u>	<u>174,478</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	8	<u>113,100</u>	<u>58,642</u>	<u>93,854</u>	<u>19,764</u>
NET CURRENT ASSETS					
		<u>735,322</u>	<u>167,131</u>	<u>722,525</u>	<u>154,714</u>
NET ASSETS					
		<u><u>£814,373</u></u>	<u><u>£197,895</u></u>	<u><u>£816,261</u></u>	<u><u>£199,878</u></u>
Represented by:					
RESTRICTED INCOME FUNDS					
		353,962	37,468	353,962	37,468
UNRESTRICTED FUNDS					
		<u>460,411</u>	<u>160,427</u>	<u>462,299</u>	<u>162,410</u>
TOTAL FUNDS					
		<u><u>£814,373</u></u>	<u><u>£197,895</u></u>	<u><u>£816,261</u></u>	<u><u>£199,878</u></u>

The financial statements on pages 5 to 14 were approved by the Trustees on 22 June 1999

Chairman



Dated:

22 June 1999

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999

1. ACCOUNTING POLICIES

(a) Accounting reference date

The accounting reference date has been changed to 31 March resulting in an accounting period of 15 months. The comparative figures relate to a 12 month period.

(b) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which have been included at market value and stocks which are at replacement value. The financial statements comply with the Statement of Recommended Practice "Accounting by Charities" (SORP) and applicable accounting standards.

Consolidated accounts have been prepared for the Society which include its subsidiary company Contemporary Art Society Projects Limited. The Society has taken advantage of the exemption under s230 of the Companies Act 1985 not to publish its own individual statement of financial activities. The net surplus of the parent undertaking was £571,188.

(c) Incoming resources

All income is accounted for on a receivable basis.

(d) Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Fundraising and publicity costs are those incurred in seeking voluntary contributions for the Society, and in publicising the Society. Management and administration costs are those incurred in connection with the management of the Society's assets, organisation administration and compliance with constitutional and statutory requirements.

(e) Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Society.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal.

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

1. ACCOUNTING POLICIES (continued)

(f) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Computer equipment	20% per annum
Other equipment	10% per annum

(g) Investments

Investments are stated at market value. It is the Society's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year.

(h) Stock

Stock comprising works of art and frames is valued at replacement cost. Works of art received through legacies are carried at probate value.

2. SUBSCRIPTIONS AND DONATIONS

	31.03.1999	31.12.1997
	£	£
Art market sponsorship	17,000	-
Individuals	67,940	31,710
Public Art Galleries	44,650	28,350
Corporate bodies	6,780	3,000
Dealers etc	8,460	1,140
	<u>£144,830</u>	<u>£64,200</u>

3. GRANTS

	31.03.1999	31.12.1997
	£	£
Henry Moore Foundation	40,000	-
DNH Grant in Aid	-	1,250
Crafts Council	10,000	5,000
Esmée Fairbairn Trust	60,000	-
Nancy Balfour Trust	5,000	-
	<u>£115,000</u>	<u>£6,250</u>

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

4. TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	31.03.1999 Total £	31.12.1997 Total £
Advice, training and collection support	101,178	83,824	185,002	118,727
Art purchases	-	38,257	38,257	80,252
Art Market	16,946	35,585	52,531	-
Members' events and support activities	14,717	44,222	58,939	46,364
	<u>132,841</u>	<u>201,888</u>	<u>334,729</u>	<u>245,343</u>
Fundraising and publicity	7,358	4,884	12,242	11,323
Management and administration	60,707	61,595	122,302	81,319
	<u>£200,906</u>	<u>£268,367</u>	<u>£469,273</u>	<u>£337,985</u>

(a) Staff costs

	31.03.1999 £	31.12.1997 £
Wages and salaries	167,063	130,723
Social security costs	16,897	13,172
Temporary staff - Art Market	16,946	-
	<u>£200,906</u>	<u>£143,895</u>

The average number of full time equivalent employees was

7	7
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None of the employees received remuneration over £40,000.

(b) Trustees

The trustees do not receive any emoluments or reimbursement of expenses

	31.03.1999 £	31.12.1997 £
(c) Auditors' remuneration	<u>£3,200</u>	<u>£3,100</u>

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

5. TANGIBLE FIXED ASSETS

GROUP	Office Equipment £	Computer Equipment £	Total £
COST			
At 1 January 1998	1,793	7,126	8,919
Additions	-	3,541	3,541
Disposals	-	(4,873)	(4,873)
At 31 March 1999	<u>1,793</u>	<u>5,794</u>	<u>7,587</u>
ACCUMULATED DEPRECIATION			
At 1 January 1998	1,334	6,985	8,319
Charge for the period	197	973	1,170
Disposals	-	(4,873)	(4,873)
At 31 March 1999	<u>1,531</u>	<u>3,085</u>	<u>4,616</u>
NET BOOK VALUES			
At 31 March 1999	<u>£262</u>	<u>£2,709</u>	<u>£2,971</u>
At 31 December 1997	<u>£459</u>	<u>£141</u>	<u>£600</u>
Depreciation rates	10%	20%	
Assets held by the subsidiary company at net book value :			<u>£315</u>

6. FIXED ASSETS INVESTMENTS

	Group	
	31.03.1999	31.12.1997
	£	£
Market value at 1 January 1998	30,164	39,333
Redemption in year	-	(10,146)
Gain on revaluation	721	977
Market value at 31 March 1999	<u>30,885</u>	<u>30,164</u>
Historical cost at 31 March 1999	<u>26,180</u>	<u>26,180</u>
Unrealised investment gains at 31 March 1999	<u>£4,705</u>	<u>£3,984</u>

All the group's investments are listed on the UK Stock Exchange. The company's investments include shares with a nominal value of £15,000 in the wholly owned subsidiary (see note 10).

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.03.1999	31.12.1997	31.03.1999	31.12.1997
	£	£	£	£
Subscriptions	-	460	-	460
Taxation recoverable	7,206	3,370	6,660	3,947
Lottery scheme contributions	134,391	-	134,391	-
Other debtors	26,137	67,018	11,537	16,165
Prepayments and accrued income	50,041	7,752	49,301	3,406
Amount due from group undertaking	-	-	27,943	6,680
	<u>£217,775</u>	<u>£78,600</u>	<u>£229,832</u>	<u>£30,658</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.03.1999	31.12.1997	31.03.1999	31.12.1997
	£	£	£	£
Creditors	72,970	34,223	55,993	3,057
Social Security and other taxes	40,130	24,419	37,861	16,707
	<u>£113,100</u>	<u>£58,642</u>	<u>£93,854</u>	<u>£19,764</u>

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

9. STATEMENT OF FUNDS

	At 01.01.1998 (as restated)	Income	Expenditure	Investment Revaluation	At 01.04.1999
	£	£	£	£	£
UNRESTRICTED FUNDS	208,222	610,246	(358,778)	721	460,411
RESTRICTED FUNDS					
Henry Moore Foundation	25,000	40,000	(22,045)		42,955
Painter Stainers	4,000	-	(4,000)		-
Crafts Council	2,400	10,000	(5,150)		7,250
Nancy Balfour Memorial	2,028	12,002	(3,880)		10,150
Cecily Lowenthal Memorial	1,440	1,160	-		2,600
Nancy Balfour Grant	-	5,000	(3,580)		1,420
Esmee Fairbairn Trust	-	57,100	-		57,100
Unilever - Art Market	-	12,000	(12,000)		-
Gulbenkian Trust - Art Market	-	5,000	(5,000)		-
Arts Council Lottery funding	-	29,462	(29,462)		-
Lottery scheme contributions	-	233,125	(15,638)		217,487
David Gordon gift	-	9,740	(9,740)		-
Oliver Prenn gift	-	15,000	-		15,000
Total restricted funds	34,868	429,589	(110,495)	-	353,962
Total funds	£243,090	£1,039,835	£(469,273)	£721	£814,373

Restricted funds are represented by short term deposits, cash at bank and current debtors.

Restatement of opening balance :

	Unrestricted funds £	Restricted funds £	Total £
As previously reported	160,427	37,468	197,895
Adjustments :			
Funds	2,600	(2,600)	-
Works of art	45,195	-	45,195
Restated balances	£208,222	£34,868	£243,090

A balance of £2,600 was incorrectly brought forward as a restricted fund.

The Society holds a collection of works of art which are not to be distributed in the near future. These items have not been included in the balance sheet in earlier years. The adjustment incorporates these items at trustees' conservative valuation which was based on art dealers' estimates of replacement cost.

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

RESTRICTED FUNDS : notes

Henry Moore Foundation

A grant is applied for annually and currently stands at £25,000 to be used exclusively for the purchase of sculpture and related works, such as drawings.

An extra 3 year grant of £45,000 in total has been awarded to mark Henry Moore's centenary and to enable the purchase of more substantial works for presentation to museums.

The Worshipful Company of Painter-Stainers

An occasional grant, restricted to the purchase of paintings for presentation to museums.

Nancy Balfour Memorial / Grant

An appeal was launched in 1997 in memory of Nancy Balfour to raise funds to purchase works of art to present to museums. Storage and administration costs have been incurred and a grant from the Nancy Balfour Trust has been awarded to cover these. The Memorial Appeal will close in September 1999. A painting by Victor Pasmore has been presented to the Tate Gallery in Nancy Balfour's memory (1998/9) and a portfolio of prints offered to the British Museum (1999/2000). Other gifts and sales will be made 1999/2000 and 2000/1.

Cecily Lowenthal Memorial Fund

A joint appeal was launched by CAS and the Tate Guides to raise funds to purchase works of art to be given to the Tate Gallery in memory of Cecily Lowenthal. The total fund has been spent in 1999/2000 on a suite of prints by Kim Lim which have been presented to the Tate. Four works by Bernard Meninsky from his widow's bequest were presented in Cecily's memory to the Ben Uri Gallery 1998/9.

Esmee Fairbairn Charitable Trust

A grant of £60,000 was awarded to allow museums to become members of CAS (paying a 2 year subscription). The grant allows CAS to make purchases for these extra museums, allows funds for general purchases and a budget for new educational work to enhance the distribution exhibition in 2000. New museums are:

The Atkinson Gallery, Southport (Craft)
Rugby Art Gallery (Fine Art)
Harrogate Museums & Art Gallery (Fine Art)
Cleveland Craft Centre, Middlesbrough (Craft)

CONTEMPORARY ART SOCIETY GROUP

NOTES TO THE FINANCIAL STATEMENTS

For the 15 months period ended 31 March 1999 (continued)

RESTRICTED FUNDS : notes (continued)

The Grundy Art Gallery, Blackpool (Fine Art)
University of Hertfordshire (to be confirmed)

Funds will have to be sought to allow the new member museums to continue their membership from 2001 onwards.

Details of the other restricted funds are included within the Trustees' Report.

10. SUBSIDIARY COMPANY

The Society has a wholly owned subsidiary, Contemporary Art Society Projects Limited, which is incorporated in the UK. Contemporary Art Society Projects Limited receives fees for advice pertaining to the purchases of works of contemporary art and commission from the organisation of the sales of works of art. Profits are passed to the Society by means of a deed of covenant. Four members of the committee of the Society sit on the Board of Contemporary Art Society Projects Limited but receive no remuneration for so doing.

A summary of Contemporary Art Society Projects Limited's transactions for the period ended 31 March 1999 is set out below. All income and expenditure has been included in the statement of financial activities. Full accounts have been filed with the Registrar of Companies.

Income	31.03.1999	31.12.1997
	£	£
Fees receivable	182,233	71,235
Donations	17,000	-
Interest receivable	1,967	154
Total income	201,200	71,389
Expenditure	199,918	68,798
Profit before deed of covenant	1,282	2,591
Deed of covenant	(1,187)	(2,510)
	95	81
Deficit brought forward	(1,983)	(2,064)
Accumulated deficit	(1,888)	(1,983)
Net assets	£13,112	£13,017