



**THE QUILTERS' GUILD OF THE BRITISH ISLES**

**ACCOUNTS**

**31 DECEMBER 2006**

**Company Secretary and Registered Office**

Jane Fellows  
Room 190  
Dean Clough  
Halifax  
HX3 5AX

**Auditors**

Wheawill & Sudworth  
35 Westgate  
Huddersfield  
HD1 1PA

**Bankers**

Royal Bank of Scotland  
20 Commercial Street  
Halifax  
HX1 1TA



**Company Registration Number: 3447631**



## ANNUAL REPORT OF

## THE QUILTERS' GUILD OF THE BRITISH ISLES

for the year ended

31 DECEMBER 2006

**The Quilters' Guild**

The Directors present their report and accounts for the year ended 31 December 2006.

### Status

The Quilters' Guild of the British Isles is a company limited by guarantee (number 3447631) and is a registered charity (number 1067361).

### Directors

The directors who served during the year were:

Janice Gunner  
Margaret Hughes  
Shirley Course (appointed 6 July 2006, resigned 20 January 2007)

### Council Members

#### Executive Committee

Janice Gunner (President)  
Linda Maltman (Treasurer)  
Louise Taylor (Membership) (resigned 31 December 2006)  
Barbara Diamond (Marketing)  
Margaret Hughes (Resources)

#### Elected Trustees

Shirley Course  
Maureen Fletcher  
Jennifer Hills  
Val Shields  
Anne Stoye (appointed 1 June 2006)  
Jan Watson (appointed 1 April 2006)

### Guild Officers

Yvonne Brown (Education)  
Caroline Dunn (Festival of Quilts)  
Connie Gilham (International)  
Hilary Kennerley (Conference)  
Merle Kessler (Public Relations)  
Jan Williams (Membership Services)  
Bridget Long (Collections & Acquisitions)  
Bobby Maxwell (Festival of Quilts Events) (appointed 1 September 2006)  
Carolyn Ferguson (Heritage) (resigned 30 April 2006)  
Merrilyn Orr (National Organiser) (resigned 30 August 2006)

Shirley Course (Chair Collections)  
Karen Pearce (Young Quilters)  
Magie Relf (Exhibitions)  
Morven Roche (Marketing)  
Judith Thomas (Assistant Treasurer)

### Development Manager

John Turner

### Objects of the Charity

The Guild is established to promote, maintain, improve and advance education for the public benefit by promoting and encouraging the appreciation, knowledge and understanding of the art, history, heritage and techniques of the allied crafts of patchwork, appliqué and quilting, and to formulate, prepare and establish schemes therefore, provided that all of the objects of The Guild shall be exclusively charitable.

All activities of The Guild are governed by the Company's Memorandum and Articles of Association.



## ANNUAL REPORT OF

## THE QUILTERS' GUILD OF THE BRITISH ISLES continued...

for the year ended

31 DECEMBER 2006

### Structure, Governance and Management

#### Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 10 October 1997 and registered as a charity on 12 January 1998. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

#### Recruitment and Appointment of Council Members

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as council members. Under the requirements of the Memorandum and Articles of Association council members, whether directors, trustees or officers, are elected to serve for a period of three years. A retiring trustee shall not be eligible for re-election for a period of two years.

#### Council Member Induction and Training

New council members appointed during 2006 attended a training day which was held in June. The day was designed to give the new council members training about their roles and responsibilities within the Guild and familiarise themselves with the aims and objectives of the Guild. Along with other new officers and Guild employees they also learned about the organisation and the way that the Guild works. A number of the council members have attended external training events during the course of the year.

During 2006 the Guild has also started a programme of volunteer training days for regional officers. These are held in regional centres and if further funding bids are successful then they will be continued across the country.

#### Risk Management

The Trustees have a risk management strategy by which they:

- Annually review the risks faced by the charity
- Establish procedures to mitigate the risks identified by the charity

The review of these risks undertaken during 2006 has resulted in new procedures being put into place including health and safety, freedom of information and disability policies. It is planned that the trustees will continue to review the risks annually, updating existing policies and putting in place measures to mitigate any further risks that may be identified.

#### Organisational Structure

During 2003 the Guild sought and obtained funding for a review of the structure of the Guild and the best way for the Guild to move forward. David Sekers produced his report in 2004. The recommendations have been adopted and the Guild now operates with a council body of up to twelve members. Council members are appointed for a three year term. Interim arrangements have been put in place to allow council members to be appointed for shorter terms to allow a phased replacement of council members in future years. The Council meets at the AGM and in December with irregular meetings as required at intervals between these dates. Six of the Trustees form an Executive Committee which meets bi-monthly to direct decision making. The Executive committee consists of the President, Treasurer and Divisional Heads for Membership, Resources, Marketing and Central Services. Each of the Divisional Heads has sub committees which meet to direct the operational work of the Guild. During 2006 the Executive Committee has operated without a Central Services Head as no Guild member was able to volunteer to fill the role despite active recruitment policies pursued by the Trustees. The Divisional heads and Treasurer are also appointed for a three year term. Currently the President serves a two year term of office.



## ANNUAL REPORT OF

## THE QUILTERS' GUILD OF THE BRITISH ISLES continued...

for the year ended

31 DECEMBER 2006

The Guild employs a Development Manager on a three year contract. His role for the first two years was to develop the work of the office and the Regions. Part of the future role for the Development Manager is working towards a new home for the Guild office and collection.

*The Guild has a strong network of officers who further the aims of the Guild at national level. They all perform important roles within the Guild. For example there is an Education and Young Quilters Officer and an International Officer. The International Officer promotes the work of the Guild in all parts of the world, representing the Guild in the European Quilt Association (EQA) and ensuring communication with the Guild's international members.*

The eighteen Regions of the Guild covering the British Isles provide a solid base which underpins national activities. Each region is headed by a Co-ordinator who, along with an officer for each area in the region, a treasurer, a newsletter editor and for some regions a young quilter representative and website coordinator, work to promote the Guild in their local area by organising events for their members. The Trustees acknowledge and thank the regional officers for the work that they do. Region 17 - Northern Ireland - has recently become an active region again after a period of dormancy and the Trustees wish to acknowledge the efforts of the members in that region in bringing this about.

During 2006 membership and financial administration for the Guild were outsourced to the company Resources for Associations, in Macclesfield. The Trustees decided that this was a necessary move to benefit from an increased level of service available from a third party supplier for all aspects of membership administration. We were also faced with an immediate need to replace our financial administrator, a service which our chosen supplier could also provide. The Trustees are aware that this is a service which could be brought back in house at an appropriate time.

As the number of staff at head office has been reduced by the outsourcing arrangements it has been possible to reduce the amount of office space occupied by the Guild in the Dean Clough complex in Halifax. At the end of 2006 D Mill was vacated and the Guild office transferred to be co-located with the Resource Centre in E Mill within the Dean Clough complex.

### **Related Parties**

Festival of Quilts Limited is a wholly owned subsidiary of the Quilters' Guild which is responsible for the commercial activities of the Guild and passes up to the Charity, by way of Gift Aid, the majority of any profits made.

*Four Specialist Groups operate within The Quilters' Guild of the British Isles (QGBI) to promote studies into specialist areas of Patchwork and Quilting. The British Quilt Study Group (BQSG - 182 members) investigates the heritage and history of quilting within the British Isles. Their work involves not only the investigation of quilting techniques and materials used in the past but also the social history that influenced the creation of those quilts. The BQSG also represents the United Kingdom in the international field of heritage quilt study. The Traditional Quilt Group (TQG - 158 members) is interested in creating quilts using the traditions of the past to produce modern quilts. The Contemporary Quilt Group (CQG - 228 members) use modern methods and techniques to explore the boundaries of patchwork and quilting.*

The members of the Miniature Quilt Group (MQG - 90 members) are interested in the particular challenges of creating patchwork and quilting on a miniature scale.

During 2006 BQSG, TQG and MQG have taken on the responsibility of their own finances although membership is still administered by the Guild. CQG will assume that responsibility during 2007. Membership of all of the groups is open to all full members of the QGBI.



## ANNUAL REPORT OF

## THE QUILTERS' GUILD OF THE BRITISH ISLES *continued...*

for the year ended

31 DECEMBER 2006

### **Objectives and Activities**

The Quilters' Guild of the British Isles was formed in 1979 and is the national organisation representing quiltmakers throughout the British Isles. Traditional and contemporary work is of equal importance within the Guild, and membership is open to anyone who works in patchwork, appliqué and quilting or who has an interest in quilts.

The Guild aims to give quiltmaking the status it deserves both as a craft and as an art, and to encourage and maintain a high standard of workmanship and design. As a registered charity the Guild promotes appreciation, knowledge and understanding of the art, techniques and heritage of quiltmaking and fosters a climate of friendship and co-operation amongst quiltmakers both in the UK and abroad.

### **Achievements and Performance**

During 2006 the number of Guild members has risen to 6,740 members. Of these, 658 have taken out an extra membership to join one or more of the specialist groups. The figure also includes 125 Young Quilters, a number which has grown by over 50% since 2005.

The Guild Conference and Annual General Meeting were held this year in Hove. Despite inclement weather over 450 members enjoyed the conference and exhibitions as well as the local tourist attractions. The next Conference and AGM will be held in Scarborough in March 2007.

The Guild's involvement with Creative Exhibitions has allowed the profile of the Guild to be raised by the Festival of Quilts Exhibition. This year the number of entries to the show was 1,500 and the number of visitors rose to 24,000. The Young Quilter workshops were also well attended. Entries to the show came from all over the British Isles and also from overseas. There were also invited exhibitions within the show from groups and from individuals providing a showcase for work of all styles and from many countries. Members will have noticed this year a change to the appearance of the Guild stand at the NEC. This was because the Guild's original stand was stolen and a new stand hired to replace it. However, we are in receipt of £11,362 in settlement of the insurance claim on the stolen Guild stand.

The EQA exhibition of suitcase sized quilts was shown at the Festival and this included 17 quilts from British Quiltmakers. The quilts have now been divided into collections that are touring throughout Europe. The Guild has also sent quilts to exhibitions in Ontario and Elba. Good links have also been established with the Mongolian Quilt Centre in Ulan Bator with a Guild member travelling to Mongolia in order to teach quilting there.

Forty items from the Heritage collection travelled to Japan to form the centre piece of the Tokyo International Great Quilt Show 2006. They were accompanied by the President and Resource Centre Curator, Rachel Terry who also gave talks on the Quilts.

Twenty one quilts created by Guild members were accepted to be shown at the Elements of Nature Exhibition which was held at Nature in Art, Wallsworth Hall, Gloucestershire.

The Guild awarded a BA Bursary for the first time in 2006 for a student of textile design. The Guild has other awards financed by bequests from members to promote patchwork and quilting. These include the Amy Emms award, the Sue Belton award and the Founder Members' bursary.

The Regions have had a very successful year with exhibitions, workshops and meetings held throughout the country. Members have taken advantage of these events to promote the craft to both members and non-members.



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A series of themed educational boxes for use in regions has been created. These contain projects including instruction sheets and basic materials which will allow teachers and group leaders to lead a simple project. Regions will replenish the boxes with sufficient materials to continue the projects and also to rotate them to provide new possibilities for group leaders.

### Financial Review

#### Principal Funding Sources

Membership income is the main source of funding for the Guild. During 2006 the Guild received £196,724 in membership income including a total amount of £1,170 received on behalf of the specialist groups, which was transferred to their individual accounts. During 2006 the Guild moved to a rolling membership system. Currently the majority of membership renewals are in May. This peak will diminish over time allowing a more even flow of funds to be established. It is anticipated that income peaks will develop around the Festival of Quilts event and the New Year with a peak remaining around the start of what was the Guild new year in May.

During 2006 the Guild was in receipt of the second part of the funding from the Arts Council and the Esmée Fairburn Trust to help with the costs of employing our Development Manager. We were also fortunate in receiving a grant from Awards for All towards volunteer training. Some of the regions also received awards from grant awarding bodies. We claimed Gift Aid on membership income and donations from HM Revenue and Customs to the value of £34,940 of which £1,396 was transferred to the specialist groups.

The association with Creative Exhibitions at the NEC resulted in payment of £11,400 which helps to offset the cost of involvement in the show.

The wholly owned subsidiary Festival of Quilts Limited has produced £11,183 operating surplus which it is intended will be gifted to the charity.

#### Investment Policy

The general reserve funds owned by the Guild are held in a charities deposit account and these funds attract a good deposit rate of interest. Large bequests made to the Guild are held in Managed Investments.

#### Reserves Policy

The Guild operates where possible within the yearly budget set annually by the Trustee body. The reserves held are sufficient to allow for any unpredicted shortfall in funding from membership income and unforeseen expenses. A more robust reserves strategy will be developed along with the projected move to new premises. Funds from bequests are invested to provide a new location for the Guild.

Although the regions are largely self funding occasionally there are short term deficiencies which the Guild will bridge with a grant or loan as applicable. Each region holds a reserve fund to cover operating shortfalls should they occur. Most of the regions and specialist groups hold these reserves in charity deposit accounts.

#### Plans for Future Periods

For many years the Guild has searched for a new location to hold our growing Heritage collection of old and contemporary quilts as well as to allow for expansion in the future. During late 2006 after much work by the committee charged with finding that property a new location has been identified in York. St Anthony's Hall is owned by the York Conservation Trust and it is planned will be leased by the Guild. During 2007 the building will be equipped with new facilities to allow the Guild to display items from the Heritage collection and offer space for exhibitions. Plans include educational opportunities for local groups and schools along with research facilities for students of textiles and social history. Much work needs to be done to take the plans forward, but it hoped that the new centre will provide a new focus to the craft and an impetus to membership as well as become an important source for academic research.



## ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES continued...

for the year ended

31 DECEMBER 2006

The move will also be accompanied by bids to funding organisations to help establish the new centre. A strategy to raise funds from members and associates is being developed.

The main Guild publication is 'The Quilter' which is published quarterly. During 2006 the longstanding editor retired and a new editorial team was created. The new team will continue the work of the previous editor so that the magazine can remain in the forefront of publishing on patchwork and quilting. Plans are in place to broaden the scope of the articles and contributors, addressing current issues in the quilting world, providing inspirational articles on techniques and tips for quiltmakers. It will also update members on the progress of the move to new premises and provide information about events, organisations and websites that may be of interest to members.

There are also plans to update the website to offer an improved service to members and visitors. The Trustees recognise that the Internet provides a great opportunity for members and non-members to gain information about patchwork and quilting in the UK. Discussions are taking place about the possibility of a 'Members Only' area on website.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors should follow best practice and

- ~ select suitable accounting policies and then apply them consistently;
- ~ make judgments and estimates that are reasonable and prudent;
- ~ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, the company's directors certify that:

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

### Auditors

A resolution to re-appoint Wheawill & Sudworth as auditors will be put to the members at the Annual General Meeting.



ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES continued...

for the year ended

31 DECEMBER 2006

**Small Companies**

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By order of the Directors of The Quilters' Guild of the British Isles

A handwritten signature in cursive script that reads 'Jane Fellows'.

Jane Fellows  
Company Secretary  
1 March 2007





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE QUILTERS' GUILD OF THE BRITISH ISLES

We have audited the accounts of The Quilters' Guild of the British Isles for the year ended 31 December 2006 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Annual Report is consistent with the accounts.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have *not received all the information and explanations we require for our audit*, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable 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 accounts 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 accounts.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE QUILTERS' GUILD OF THE BRITISH ISLES**

**Opinion**

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's and charitable company's affairs as at 31 December 2006, and of incoming resources and application of resources, including the group's income and expenditure of the group and the charitable company, in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Annual Report is consistent with the accounts.

**WHEAWILL & SUDWORTH**

**Registered Auditors  
Chartered Accountants**

**35 Westgate  
Huddersfield  
HD1 1PA  
1 March 2007**



**THE QUILTERS' GUILD OF THE BRITISH ISLES**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2006**

	2006 £	2005 £
Income	508,407	477,406
Operating costs	(500,240)	(489,547)
Operating surplus/(deficit)	<u>8,167</u>	<u>(12,141)</u>
Investment income	10,085	9,360
Interest received	10,916	10,277
Surplus/(deficit) for the year	<u>29,168</u>	<u>7,496</u>
<b>Statement of total recognised gains and</b>		
Unrealised gain on investments	<u>35,801</u>	<u>25,601</u>
<b>Total recognised gains and losses for year</b>	<u><u>64,969</u></u>	<u><u>33,097</u></u>

The notes on pages 13 to 23 form part of these accounts.



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted Funds		Restricted Funds	Total Funds	
		General	Designated	Funds	2006	2005
		£	£	£	£	£
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
<i>Voluntary income:</i>						
Donations		900			900	4,183
Tax reclaimed under Gift Aid		33,544			33,544	34,057
<i>Activities for generating funds:</i>						
Investment income				10,085	10,085	9,360
Interest received		7,574		3,342	10,916	10,277
Membership subscriptions		196,724			196,724	195,680
AGM raffle			1,221		1,221	-
Sales		7,565			7,565	15,891
<b>Incoming resources from charitable activities:</b>						
	4					
Grants				41,925	41,925	23,833
Other activities		182,637	32,529		215,166	203,762
<b>Other incoming resources:</b>						
Profit on sale of equipment (insurance claim)		11,362			11,362	-
<b>Total incoming resources</b>		<u>440,306</u>	<u>33,750</u>	<u>55,352</u>	<u>529,408</u>	<u>497,043</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
<i>Fundraising trading:</i>						
Cost of goods sold and other costs		10,900			10,900	22,440
<b>Charitable activities</b>		351,568	50,518	68,057	470,143	447,381
<b>Governance costs</b>		19,197			19,197	19,726
<b>Total resources expended</b>	5	<u>381,665</u>	<u>50,518</u>	<u>68,057</u>	<u>500,240</u>	<u>489,547</u>
<b>Net incoming resources before transfers and other recognised gains</b>						
	3	58,641	(16,768)	(12,705)	29,168	7,496
Transfers		1,020	(1,020)			
<b>Other recognised gains</b>						
Unrealised				35,801	35,801	25,601
<b>Net movement in funds</b>		<u>59,661</u>	<u>(17,788)</u>	<u>23,096</u>	<u>64,969</u>	<u>33,097</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		171,900	84,296	298,084	554,280	521,183
<b>Total funds carried forward</b>		<u>231,561</u>	<u>66,508</u>	<u>321,180</u>	<u>619,249</u>	<u>554,280</u>

The statement of financial activities includes all gains and losses in the year.  
All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 23 form part of these accounts.



**THE QUILTERS' GUILD OF THE BRITISH ISLES**  
**CONSOLIDATED BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 2006**

		Group		Guild	
	Notes	2006 £	2005 £	2006 £	2005 £
<b>Fixed assets</b>					
Tangible assets	11	23,915	31,387	23,195	31,387
Investment in subsidiary		-	-	2	2
Investments	12	255,763	219,963	255,763	219,963
		<u>279,678</u>	<u>251,350</u>	<u>279,680</u>	<u>251,352</u>
<b>Current assets</b>					
Stock		10,247	16,121	4,431	5,410
Debtors	13	57,502	9,413	62,873	25,603
Cash at bank and in hand		402,266	379,218	365,338	352,876
		<u>470,015</u>	<u>404,752</u>	<u>432,642</u>	<u>383,889</u>
<b>Creditors: amounts falling due within one year:</b>					
Income in advance		68,292	69,462	68,292	66,049
Creditors and accruals	14	62,152	32,360	50,579	29,527
		<u>130,444</u>	<u>101,822</u>	<u>118,871</u>	<u>95,576</u>
<b>Net current assets</b>		<u>339,571</u>	<u>302,930</u>	<u>313,771</u>	<u>288,313</u>
<b>Net assets</b>		<u>619,249</u>	<u>554,280</u>	<u>593,451</u>	<u>539,665</u>
<b>Unrestricted funds</b>	15				
Designated funds		66,508	84,296	66,508	84,296
General funds		231,561	171,900	205,763	157,285
		<u>298,069</u>	<u>256,196</u>	<u>272,271</u>	<u>241,581</u>
<b>Restricted funds</b>	16				
Grant funds		9,328	8,805	9,328	8,805
Legacy funds		311,852	289,279	311,852	289,279
		<u>321,180</u>	<u>298,084</u>	<u>321,180</u>	<u>298,084</u>
<b>Total funds</b>		<u>619,249</u>	<u>554,280</u>	<u>593,451</u>	<u>539,665</u>

The accounts have been prepared in accordance with the special provisions of the Companies Act 1985 relating to small companies.

The accounts on pages 10 to 23 were approved by the directors on 1 March 2007 and signed on their behalf by

Janice Gunner

President

Margaret Hughes

Director

*Janice Gunner*  
*M. Hughes*

The notes on pages 13 to 23 form part of these accounts.



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 1 Constitution

The Guild is a company which is limited by guarantee and every member of The Guild undertakes to contribute to the assets of The Guild in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of The Guild contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding one pound.

### 2 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable accounting standards and the Charities Act 1993.

#### Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

#### Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

*Voluntary income is received by way of grants, donations and sponsorships and is included in full in the Statement of Financial Activities (SOFA) when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.*

Investment income is included when receivable.

#### Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and annual return costs.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 2 Accounting policies (continued)

#### Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. Depreciation is charged at:

Office computing equipment	- 33.33% of cost
Office equipment	- 20% of cost
Resource centre	- 10% of cost
Exhibition equipment	- 33.33% of cost

No depreciation is charged in the year of acquisition.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

#### Stocks

Stocks of current catalogues, magazines, cards etc, held at the year end are value at the lower of cost or market value.

3 Net incoming resources for the year	2006 £	2005 £
This is stated after charging:		
Depreciation	10,127	18,825
Audit services	3,000	2,500
Other accountancy services	4,685	4,220
	<u>17,812</u>	<u>25,545</u>

### 4 Incoming resources from charitable activities

	Unrestricted Funds		Restricted	Total Funds	
	General	Designated	Funds	2006	2005
	£	£	£	£	£
Grants:					
NHMF Lottery Fund			8,300	8,300	-
Voluntary Museum Fund			806	806	-
Awards for All			4,740	4,740	-
Esmée Fairbairn Foundation			10,723	10,723	15,233
Arts Council			17,356	7,356	8,600
	<u>-</u>	<u>-</u>	<u>41,925</u>	<u>41,925</u>	<u>23,833</u>



# THE QUILTERS' GUILD OF THE BRITISH ISLES

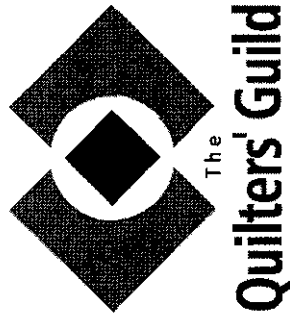
## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 4 Incoming resources from charitable activities (continued)

	Unrestricted funds		Restricted funds	Total	
	General	Designated		2006	2005
	£	£	£	£	£
Other activities:					
British Quilt Studies Group	-	5,007	-	5,007	5,082
Conference	22,401	-	-	22,401	31,409
Conservation Collections	-	1,000	-	1,000	5,075
Contemporary Quilt Group	-	10,240	-	10,240	3,140
Education	58	-	-	58	4,874
Heritage Acquisition Fund	-	665	-	665	1,871
International Income	210	-	-	210	-
Judging course	5,190	-	-	5,190	-
Magazine advertisements	13,660	-	-	13,660	11,846
Miniature Quilt Group	-	3,865	-	3,865	3,992
National Exhibitions (FoQ)	160	-	-	160	11,241
National Quilt Centre	-	8,352	-	8,352	6,137
NEC Show Income	11,420	-	-	11,420	-
1718 Quilt Repair Fund	-	209	-	209	-
Regional activities	120,721	-	-	120,721	109,385
Resource centre	7,737	-	-	7,737	8,420
Traditional Quilt Group	-	2,991	-	2,991	930
Young Quilters Challenge	-	200	-	200	-
Training days	1,080	-	-	1,080	360
	<u>182,637</u>	<u>32,529</u>	<u>-</u>	<u>215,166</u>	<u>203,762</u>





# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 5 Total resources expended

	Basis of Allocation	Voluntary Income £	Sales £	Unrestricted Charitable £	NHMF Lottery £	Heritage Lottery £	Sue Belton £	Barbara Bailey £	Development Manager £	Awards For all £	Voluntary Museum £	Governance Costs £	2006 Total £	2005 Total £
Costs directly allocated to activities	Direct			4,811									4,811	3,829
British Quilt Studies Group	Direct			1,070									1,070	-
Collection Management	Direct			21,441									21,441	25,456
Conference	Direct			2,895									2,895	-
Conservation Fund	Direct			9,491									9,491	4,310
Contemporary Quilt Group	Direct			3,204			300						3,504	10,750
Education	Direct			-									-	14,913
Festival of Quilts	Direct			200									200	-
Founder Members Bursary	Direct			462									462	4,258
Heritage	Direct			1,850									1,850	3,480
Heritage Acquisition Fund	Direct			1,624									1,624	1,301
International	Direct			6,285									6,285	-
Judging Course	Direct			1,000									1,000	-
Margaret Tucker	Direct			17,928									17,928	22,901
Membership	Direct			3,640									3,640	3,889
Miniature Quilt Group	Direct			931									931	349
National Exhibition	Direct			2,186									2,186	4,718
National organisational costs	Direct			3,818				11,170					14,988	-
National Quilt Centre	Direct			6,302									6,302	-
NEC Show costs	Direct				6,763								6,763	7,162
Outreach project	Direct			18,595									18,595	9,626
Public relations	Direct			4,149									4,149	4,058
Textile perspectives	Direct			91,018									91,018	102,615
Regional activities	Direct			-									-	2,615
Regional organisation	Direct			19,016									34,201	36,101
Resource centre	Direct			63,104				15,185					63,104	59,164
The Quilter	Direct			2,265									2,265	204
Traditional Quilt Group	Direct										228		228	-
Voluntary Museum	Direct												10,645	10,524
Cost of sales stock sold	Direct		10,645										255	11,916
Stock valuation write down	Direct		255										5,028	690
Training weekend	Direct			1,100						3,928			3,928	-
			10,900	288,385	6,763	-	300	26,355	-	3,928	228	-	336,859	344,829



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 5 Total resources expended (continued)

	Basis of Allocation	Voluntary Income £	Sales £	Unrestricted Charitable £	NHMF Lottery £	Heritage Lottery £	Sue Belton £	Barbara Bailey £	Development Manager £	Awards for all £	Voluntary Museum £	Governance Costs £	2006 Total £	2005 Total £
<b>Support costs allocated to activities</b>														
AGM costs	Direct													
Council expenses	Direct													
and meetings	Direct													
Depreciation of equipment	Direct			5,877		4,250								
Administrative salaries														
and pensions	Direct			43,499										
Employer's National Insurance	Direct			2,618										
Development manager costs	Direct			2,915					26,233					
Recruitment costs	Direct													
Rents and associated services	Direct			12,002										
Rates	Direct			665										
Light and heat	Direct			1,682										
Insurance	Direct			5,965										
Computer maintenance	Direct			5,142										
Equipment hire maintenance	Direct			5,590										
Telephone charges	Direct			1,055										
Printing, stationery and postage	Direct			5,284										
Audit and accountancy charges	Direct													
Professional fees	Direct			16,440										
Bank charges	Direct			1,677										
Sundries	Direct			3,290										
		-	-	113,701	-	4,250	-	-	26,233	-	-	19,197	163,381	144,718
<b>Total resources expended</b>		-	10,900	402,086	6,763	4,250	300	26,355	26,233	3,928	228	19,197	500,240	489,547



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 6 Commercial trading operations and investment in trading subsidiary

The wholly-owned trading subsidiary, Festival of Quilts Limited, which is incorporated in the United Kingdom, pays some or all of its profits to the charity by Gift Aid from time to time. Festival of Quilts Limited operates the principal commercial trading operations carried on by The Guild. A summary of the trading results is shown below.

Summary profit and loss account	2006 £	2005 £
Turnover	55,919	61,543
Cost of sales and administrative expenses	(45,354)	(56,457)
Interest receivable	618	603
Profit for the financial year	11,183	5,689
Retained profit brought forward	14,615	14,126
Gift Aid donation to parent company	-	(5,200)
Retained profit carried forward	25,798	14,615
The assets and liabilities of the subsidiary were:		
Current assets	48,834	42,799
Creditors: amounts falling due within one year	(23,034)	(28,182)
Total net assets	25,800	14,617
Aggregate share capital and reserves	25,800	14,617

### 7 Taxation

As a charity, The Quilters' Guild of the British Isles is exempt from tax on income falling within Section 505 of the Taxes Act 1988. No tax charges have arisen in the Charity.

### 8 Staff costs and number

	2006 £	2005 £
Staff costs were as follows:		
Salaries and wages	69,639	54,878
Social security costs	2,618	5,632
Pension costs	1,811	1,572
Total	74,068	62,082

No employee received emoluments of more than £60,000.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2006 £	2005 £
Charity activities	2	5
Administration and support	3	5
Total	5	10



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 9 Trustee remuneration and related parties

No directors or council members received any remuneration during the year. Reimbursements totalling £5,521 (2005: £6,704) were made to directors and council members for their expenses during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the current or previous year.

### 10 Pension costs

The company operates and makes contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year was £1,811 (2005: £1,572).

### 11 Tangible fixed assets

	Computer Equipment £	Office Equipment £	Resource Centre Equipment £	Exhibition Equipment £	Total £
Cost					
At 1 January 2006	53,069	5,733	20,528	19,500	98,830
Additions	2,409	-	246	-	2,655
Disposals	-	-	-	(19,500)	(19,500)
At 31 December 2006	55,478	5,733	20,774	-	81,985
Depreciation					
At 1 January 2006	38,603	5,332	4,008	19,500	67,443
Charge for year	7,901	151	2,075	-	10,127
Disposals	-	-	-	(19,500)	(19,500)
At 31 December 2006	46,504	5,483	6,083	-	58,070
Net book value					
At 31 December 2006	8,974	250	14,691	-	23,915
At 31 December 2005	14,466	401	16,250	-	31,387

### 12 Investments

	2006 £	2005 £
M & G Charifund Income Units		
Cost	115,629	115,629
Market value at 31 December	255,763	219,963



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

13 Debtors and prepayments	Group		Guild	
	2006 £	2005 £	2006 £	2005 £
Trade debtors	6,698	3,836	1,330	459
Prepayments and accrued income	50,083	5,577	49,361	3,208
Other debtors	721	-	721	-
Amount due from subsidiary undertaking			11,461	21,236
Amount due from subsidiary by way of Gift Aid			-	700
	<u>57,502</u>	<u>9,413</u>	<u>62,873</u>	<u>25,603</u>
14 Creditors and accruals	Group		Guild	
	2006 £	2005 £	2006 £	2005 £
Trade creditors	16,615	17,865	15,531	17,396
Other taxes and social security costs	4,282	7,292	2,745	6,428
Accruals and deferred income	41,255	7,203	32,303	5,703
	<u>62,152</u>	<u>32,360</u>	<u>50,579</u>	<u>29,527</u>
15 Movements in unrestricted funds				
	As at 1 January 2006 £	Incoming Resources £	Outgoing Resources £	As at 31 December 2006 £
<b>General Reserves</b>				
General Reserves	93,237	319,585	(290,647)	123,195
Regional Funds (General)	78,663	120,721	(91,018)	108,366
Total General Reserves	<u>171,900</u>	<u>440,306</u>	<u>(381,665)</u>	<u>231,561</u>
<b>Designated Funds</b>				
National Quilt Centre Fund	51,309	8,352	(22,834)	36,827
Life Membership Fund	10,133	-	-	9,113
Heritage Acquisitions Fund	2,284	1,886	(2,312)	2,900
Founder Members Bursary Fund	2,620	-	(200)	2,420
Young Quilters Challenge Fund	88	200	-	288
Margaret Tucker Memorial Fund	1,042	-	(1,000)	-
Conservation Collections Fund	5,075	1,000	(3,965)	1,110
British Quilt Studies Group Fund	7,141	5,007	(4,811)	7,337
Contemporary Quilt Group Fund	2,354	10,240	(9,491)	3,103
Miniature Quilt Group Fund	1,524	3,865	(3,640)	1,749
Traditional Quilt Group Fund	726	2,991	(2,265)	1,452
1718 Quilt Repair Group Fund	-	209	-	209
Total Designated Funds	<u>84,296</u>	<u>33,750</u>	<u>(50,518)</u>	<u>66,508</u>
Total Unrestricted Funds	<u>256,196</u>	<u>474,056</u>	<u>(432,183)</u>	<u>298,069</u>



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 15 Movements in unrestricted funds (continued)

Guild	As at 1 January 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2006 £
<b>General Reserves</b>					
General Reserves	78,622	278,355	(260,603)	1,020	97,397
Regional Funds (General)	78,663	120,721	(91,018)	-	108,366
<b>Total General Reserves</b>	<b>157,285</b>	<b>399,079</b>	<b>(351,621)</b>	<b>1,020</b>	<b>205,763</b>
<b>Designated Funds</b>					
National Quilt Centre Fund	51,309	8,352	(22,834)	-	36,827
Life Membership Fund	10,133	-	-	(1,020)	9,113
Heritage Acquisitions Fund	2,284	1,886	(2,312)	1,042	2,900
Founder Members Bursary Fund	2,620	-	(200)	-	2,420
Young Quilters Challenge Fund	88	200	-	-	288
Margaret Tucker Memorial Fund	1,042	-	(1,000)	(42)	-
Conservation Collections Fund	5,075	1,000	(3,965)	(1,000)	1,110
British Quilt Studies Group Fund	7,141	5,007	(4,811)	-	7,337
Contemporary Quilt Group Fund	2,354	10,240	(9,491)	-	3,103
Miniature Quilt Group Fund	1,524	3,865	(3,640)	-	1,749
Traditional Quilt Group Fund	726	2,991	(2,265)	-	1,452
1718 Quilt Repair Fund	-	209	-	-	209
<b>Total Designated Funds</b>	<b>84,296</b>	<b>33,750</b>	<b>(50,518)</b>	<b>(1,020)</b>	<b>66,508</b>
<b>Total Unrestricted Funds</b>	<b>241,581</b>	<b>432,829</b>	<b>(402,139)</b>	<b>-</b>	<b>272,271</b>

### Purposes of designated funds

The designated funds were set up to identify and separate the income and expenditure relating to specific projects

- |                               |   |
|-------------------------------|---|
| National Quilt Centre         | - Contributions towards the running costs of National Quilt Centre              |
| Founder Members' Bursary Fund | - To enable Guild members to further their knowledge of patchwork and quilting. |



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 16 Movement in restricted funds

Group and Guild	As at 1 January 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2006 £
<b>Grant Funds</b>					
Heritage Lottery Fund	4,847	-	(4,250)	-	597
NHMF Lottery Fund	(515)	8,300	(6,763)	-	1,022
Arts Council	(1,080)	17,356	(13,116)	-	3,160
Esmée Fairbairn Foundation	5,553	10,723	(13,117)	-	3,159
Awards for All	-	4,740	(3,928)	-	812
Voluntary Museum	-	806	(228)	-	578
<b>Total Grant Funds</b>	<b>8,805</b>	<b>41,925</b>	<b>(41,402)</b>	<b>-</b>	<b>9,328</b>
	As at 1 January 2006 £	Incoming Resources £	Outgoing Resources £	Unrealised Gains £	As at 31 December 2006 £
<b>Legacy Funds</b>					
Sue Belton	10,476	492	(300)	1,475	12,143
The Bailey Fund	278,065	12,902	(26,355)	34,326	298,938
Sue Ridgewell	738	33	-	-	771
<b>Total Legacy Funds</b>	<b>289,279</b>	<b>13,427</b>	<b>(26,655)</b>	<b>35,801</b>	<b>311,852</b>
<b>Total Restricted Funds</b>	<b>298,084</b>	<b>55,352</b>	<b>(68,057)</b>	<b>35,801</b>	<b>321,180</b>

### Purposes of Grant Funds

Heritage Lottery Fund	- Grant towards purchase of equipment
NHMF Lottery Fund	- Grant towards an outreach project aimed at young carers
Arts Council	- Grant towards the employment of a development manager
Esmée Fairbairn Foundation	- Grant toward the employment of a development manager
Awards for All	- Grant towards volunteer training
Voluntary Museum	- Grant towards museum project fund

### Purposes of Legacy Funds

Sue Belton	- Contribution for awards for Educations
The Bailey Fund	- Contribution towards the purchase of a permanent home for the Guild and running of the resource centre.
Sue Ridgewell	- Fund for competitions for Guild members.



# THE QUILTERS' GUILD OF THE BRITISH ISLES

## NOTES TO THE ACCOUNTS

31 DECEMBER 2006

### 17 Analysis of net assets between funds

	Unrestricted Reserves £	Grant Funds £	Legacy Funds £	Total Funds £
Tangible fixed assets	23,318	597	-	23,915
Investments	-	-	255,763	255,763
Current assets	382,324	8,731	78,960	470,015
Current liabilities	(107,573)	-	(22,871)	(130,444)
Net assets at 31 December 2006	<u>298,069</u>	<u>9,328</u>	<u>311,852</u>	<u>619,249</u>

### 18 Operating lease commitments

	2006 £	2005 £
Leases which terminate: In more than one year but less than five	<u>1,913</u>	<u>1,913</u>

### 19 Capital commitments

Capital expenditure contracted but not provided in the accounts	<u>Nil</u>	<u>Nil</u>
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