



THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2008

Company Secretary and Registered Office

Michael Greensmith
St Anthony's Hall
Peasholme Green
York
North Yorkshire
YO1 7PW

Auditors

Wheawill & Sudworth
35 Westgate
Huddersfield
HD1 1PA

Bankers

Royal Bank of Scotland
20 Commercial Street
Halifax
HX1 1TA

SATURDAY



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11/04/2009
COMPANIES HOUSE

Company Registration Number: 3447631



ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES

for the year ended

31 DECEMBER 2008

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The Directors present their report together with the financial statements of the Guild for the year ended 31 December 2008.

Status

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

Directors

The directors who served during the year were:

Barbara Diamond (resigned 1 May 2008)
Di Goodison (resigned 22 December 2008)
Jan Williams
Marilyn Lovett (appointed 1 May 2008)

On 4 February 2009 Lesley Hurrell was appointed a director.

Council Members

Executive Committee

Margaret Hughes (President) (appointed 22 December 2008)
Di Goodison (President) (resigned 22 December 2008)
Margaret Hughes (Treasurer)
Marilyn Lovett (Marketing)
Kathleen Fisher (Operations)
Jan Williams (Membership)

Guild Officers

Fiona Brockie (International)
Hilary Kennerley (Conference)
Bobby Maxwell (Festival of Quilts Events)
Sarah Griffiths (National Organiser)
Debbie Evans (Heritage)
Carolyn Gibbs (Assistant Treasurer)

Chief Executive Officer

John Turner

Commercial Manager

Catherine Candlin
Cathy Hook (Retail Assistant)

Guild Administrator

Carol Bowden

Elected Trustees

Margaret Boe
Ann Hardcastle
Vivien Finch
Gilly Rose

Denise Gordon-Smith (Education)
Angela Daymond (Y.Q. Officer)
Kate Smith (Library)
Miriam Butler (Guild Exhibitions)
Jeni Dickenson (Museum Exhibitions)

Museum Director

Fiona Diaper

Museum Staff

Melanie Worgan (Education)
Heather Peacock (Curator)
Virginia Hatton (Volunteers)



ANNUAL REPORT OF

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

for the year ended

31 DECEMBER 2008

Objectives 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 objectives of The Guild shall be exclusively charitable.

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

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.

Induction and Training

All potential new trustees are invited to attend a training weekend which is designed to give an insight into roles and responsibilities and of the aims and objectives of the Guild. This year the Trustees met for a training day to review responsibilities and to develop a strategic plan for 2009.

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.

Trustees will continue to review the risks annually by updating existing policies and putting in place measures to mitigate any further risks that may be identified.

Organisational Structure

The Guild has a Trustee body of up to twelve members, which is known as Council, to which 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 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, Marketing, Museum and Operations. Each of the Divisional Heads has subcommittees which meet to direct the operational work of the Guild. During 2008 the Executive Committee has operated without a Head of Museum or a Head of Operations as no Guild member was able to volunteer to fill the roles despite active recruitment policies pursued by the Trustees. The Divisional Heads and Treasurer are appointed for a three year term and, 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 2008

Organisational Structure (continued)

The Guild employs a Chief Executive Officer on a one year contract, a full time Museum Director on a permanent contract, a part time Curator on a permanent contract and a Commercial Manager with a one year contract. Other staff are a Guild Administrator and a part time retail assistant. Heritage Lottery Funding enables the employment of a full time Museum Education Officer and a part time Volunteer Organiser for three years.

The Guild has a strong network of officers who further the aims of the Guild at national level and who all perform important roles within the Guild. Amongst these there is an Education Officer, a 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 co-ordinator, 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.

Membership and financial administration for the Guild is outsourced to the company Resources for Associations, in Macclesfield. The Trustees have decided that it is now appropriate to bring the finance function back in-house and this project is currently under way. The membership function will remain outsourced until the new finance function is fully operational in York.

Related Parties

Festival of Quilts Limited is a wholly owned subsidiary of The Quilters' Guild. It is responsible for the commercial activities of the Guild and passes to the Charity any profits made.

Four Specialist Groups operate within QGBI to promote studies into specialist areas of patchwork and quilting:

- The British Quilt Study Group (BQSG, 179 members) investigates the heritage and history of quilting within the British Isles. Its 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, 237 members) is interested in creating quilts using the traditions of the past to produce modern quilts.
- The Contemporary Quilt Group (CQG, 350 members) uses modern methods and techniques to explore the boundaries of patchwork and quilting.
- The Miniature Quilt Group (MQG, 100 members) is interested in the particular challenges of creating patchwork and quilting on a miniature scale.

All four Specialist Groups are responsible for their own finances although membership is still administered by the Guild. Membership of all groups is open to full members of QGBI.



ANNUAL REPORT OF

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

for the year ended

31 DECEMBER 2008

Objectives and Activities

The Quilters' Guild was formed in 1979 and is the national organisation representing quiltmakers throughout the British Isles. Traditional and contemporary work are 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

Current membership numbers are 6,325, a fall of 115 members compared with 2007. Of these, 866 have taken out an extra membership to join one or more of the specialist groups. These figures also include 103 Young Quilters and 114 International members.

The Conference and AGM in 2008 was held in Cambridge when 430 members took part in workshops, lectures and visits to local attractions.

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 1,700 and the number of visitors rose to over 30,000. The Young Quilter workshops were also well attended. Entries to the show came from all over the British Isles and 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.

The Guild continues its policy of loans to other museums and galleries. In 2008 quilts were exhibited at the AGM in Cambridge, the NEC in Birmingham, Hereford Museum and Luton Museum. In the Quilt Museum and Gallery the inaugural exhibition contained 23 items from the Guild's Collections as an integral part of the exhibition, together with 13 pieces from individual artists.

The Guild awarded a BA Bursary in 2008 to a student of textile design. The Guild has other awards financed by bequests from members to promote patchwork and quilting, including the Sue Belton award, the Founder Members' bursary and the Amy Emms award. In 2008 an anonymous donation of £35,000 was received to set up a series of travel and education bursaries and this money is currently invested in a charities deposit (COIF) account until it is decided how the bursaries will be administered.

The regions have had a successful year with exhibitions, workshops and meetings held throughout the country, with members taking advantage of these events to promote the craft to both members and non-members. Regional workshops for Young Quilters have been well attended.

The principal achievement in 2008 was the relocation of the Guild to its new home in York. St. Anthony's Hall now houses The Guild's administration office, the library, the quilt store and the Quilt Museum and Gallery.



ANNUAL REPORT OF

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

for the year ended

31 DECEMBER 2008

Financial Review

Principal Funding Sources

Membership income remains the main source of funding for the Guild. During 2008 the Guild received £194,710 in membership income relating to the year. A rolling membership system is now in operation but 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 2008 the Guild was awarded a Heritage Lottery Fund grant of £193,500, half of which has been received, which will allow the employment of a full time Museum Education Officer and a part time Volunteer Organiser for three years. An Arts Council grant of £20,000 funded the opening exhibition in St. Anthony's Hall. Some of the regions were fortunate to receive grants from Awards For All which enabled training for regional officers to be held and one region was able to subsidise a weekend retreat of quilting workshops.

The association with Creative Exhibitions at the NEC resulted in payment of £12,400 which helps to offset the cost of involvement in the show.

The wholly owned subsidiary Festival of Quilts Limited has produced a surplus of £23,961 which it is intended will be returned to the charity by way of Gift Aid.

During 2008 the Guild continued with work on updating the Gift Aid database to meet the requirements of the compliance visit by HM Revenue & Customs. The settlement figures have now been agreed and will be offset against deferred claims.

Investment Policy

The general reserve funds owned by the Guild are held in a Charities Deposit (COIF) account which is currently attracting an interest rate that compares favourably with other deposit accounts.

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. The relocation to York and subsequent building fit out has resulted in the use of a significant proportion of reserves and the Commercial Manager is presently looking at alternative income streams to allow further developments and offset Museum running costs.

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

Plans for Future Periods

Having successfully completed the relocation to York, recruited the necessary staff and opened the Quilt Museum and Gallery to Guild members and to the general public, the Guild is now entering a phase of consolidation where work is ongoing to bring patchwork and quilting to a wider audience and to continue with its educational remit both in the regions and within the museum. There are educational opportunities available for local groups and schools together with research facilities for students of textiles and social history. It is intended that St. Anthony's Hall will provide a new focus for the craft and become an important resource for academic research. It is also expected to stimulate an interest in The Guild and its work as an educational charity, which will result in an increase in membership figures.



ANNUAL REPORT OF

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

for the year ended

31 DECEMBER 2008

Plans for Future Periods (continued)

The first phase of the Museum website is complete and the site is now active. A second phase is planned for 2009.

The main Guild publication is 'The Quilter', which is published quarterly. It carries a wide range of articles by contributors, addressing current issues in the quilting world and providing inspirational articles on techniques and tips for quiltmakers. It also updates members on the business of the Guild and supplies information about events, organisations and websites that may be of interest to members. A review of the magazine was conducted in 2008 and the opinions expressed by members who completed the survey will be taken into account in future issues.

The Guild website has been updated 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 and abroad.

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 and the group and of its incoming resources and application of resources, including the net income and expenditure of the group, for the financial year. In preparing these financial statements the directors are required to:

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

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

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

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;
- 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 2008****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.

Michael Greensmith
Company Secretary
17 March 2009



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

We have audited the financial statements of The Quilters' Guild of the British Isles for the year ended 31 December 2008 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements 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 financial statements 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 financial statements.

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 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.



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

Opinion

In our opinion:

- the financial statements 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 2008, and of incoming resources and application of resources, including the income and expenditure of the group in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Annual Report is consistent with the financial statements.

WHEAWILL & SUDWORTH

**Registered Auditors
Chartered Accountants**

**35 Westgate
Huddersfield
HD1 1PA
17 March 2009**



THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Income	743,310	492,313
Operating costs	(707,622)	(571,217)
Operating surplus/(deficit)	35,688	(78,904)
Investment income	488	11,226
Interest receivable	22,595	15,438
Surplus/(deficit) for the year	58,771	(52,240)
Statement of total recognised gains and losses		
Realised loss on investments	-	(26,642)
Unrealised loss on investments	(3,065)	(1,032)
Total recognised gains and losses for year	55,706	(79,914)

The notes on pages 13 to 24 form part of these financial statements.



THE QUILTERS' GUILD OF THE BRITISH ISLES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted Funds		Restricted Funds	Total Funds	
		General £	Designated £	£	2008 £	2007 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
<i>Voluntary income:</i>						
Donations		-	-	35,000	35,000	235
<i>Activities for generating funds:</i>						
Investment income		-	-	488	488	11,226
Interest receivable		18,496		4,099	22,595	15,438
Membership subscriptions		193,750	960	-	194,710	195,976
AGM raffle		-	-	-	-	1,600
Quilt Museum Shop		30,461	-	-	30,461	-
Sales		10,552	-	-	10,552	13,450
Incoming resources from charitable activities:						
	4	-	-	118,898	118,898	17,468
Grants		271,528	82,161	-	353,689	263,584
Other activities						
Total incoming resources		<u>524,787</u>	<u>83,121</u>	<u>158,485</u>	<u>766,393</u>	<u>518,977</u>
RESOURCES EXPENDED						
Costs of generating funds						
<i>Fundraising trading:</i>						
Cost of goods sold and other costs		27,303	-	-	27,303	9,534
Charitable activities		531,734	33,714	88,171	653,619	535,283
Governance costs		26,700	-	-	26,700	26,400
Total resources expended	5	<u>585,737</u>	<u>33,714</u>	<u>88,171</u>	<u>707,622</u>	<u>571,217</u>
Net (outgoing) incoming resources before transfers and other recognised gains	3	(60,950)	49,407	70,314	58,771	(52,240)
Transfers		(2,655)	1,669	986	-	-
Other recognised losses						
Realised		-	-	-	-	(26,642)
Unrealised		-	-	(3,065)	(3,065)	(1,032)
Net movement in funds		<u>(63,605)</u>	<u>51,076</u>	<u>68,235</u>	<u>55,706</u>	<u>(79,914)</u>
Total funds brought forward		<u>163,477</u>	<u>78,596</u>	<u>297,262</u>	<u>539,335</u>	<u>619,249</u>
Total funds carried forward		<u>99,872</u>	<u>129,672</u>	<u>365,497</u>	<u>595,041</u>	<u>539,335</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 24 form part of these financial statements.



THE QUILTERS' GUILD OF THE BRITISH ISLES

CONSOLIDATED AND COMPANY BALANCE SHEET

YEAR ENDED 31 DECEMBER 2008

		Group		Guild	
	Notes	2008 £	2007 £	2008 £	2007 £
Fixed assets					
Tangible assets	11	89,784	17,671	76,899	17,671
Investment in subsidiary		-	-	2	2
Investments	12	6,440	9,505	6,440	9,505
		<u>96,224</u>	<u>27,176</u>	<u>83,341</u>	<u>27,178</u>
Current assets					
Stock		18,809	4,283	-	1,136
Debtors	13	13,404	30,680	21,601	23,702
Cash at bank and in hand		584,317	668,591	561,994	574,531
		<u>616,530</u>	<u>703,554</u>	<u>583,595</u>	<u>599,369</u>
Creditors: amounts falling due within one year:					
Income in advance	14	74,356	142,008	73,372	70,904
Creditors and accruals	15	43,357	49,387	37,101	46,578
		<u>117,713</u>	<u>191,395</u>	<u>110,473</u>	<u>117,482</u>
Net current assets		<u>498,817</u>	<u>512,159</u>	<u>473,122</u>	<u>481,887</u>
Net assets		<u>595,041</u>	<u>539,335</u>	<u>556,463</u>	<u>509,065</u>
Unrestricted funds	16				
Designated funds		129,672	78,596	129,672	78,596
General funds		99,872	163,477	61,294	133,207
		<u>229,544</u>	<u>242,073</u>	<u>190,966</u>	<u>211,803</u>
Restricted funds	17				
Grant funds		85,515	1,575	85,515	1,575
Legacy funds		244,177	295,687	244,177	295,687
Donation funds		35,805	-	35,805	-
		<u>365,497</u>	<u>297,262</u>	<u>365,497</u>	<u>297,262</u>
Total funds		<u>595,041</u>	<u>539,335</u>	<u>556,463</u>	<u>509,065</u>

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

The financial statements on pages 10 to 24 were approved by the directors on 17 March 2009 and signed on their behalf by

Lesley Hurrell  Director

Jan Williams  Director

The notes on pages 13 to 24 form part of these financial statements.



THE QUILTERS' GUILD OF THE BRITISH ISLES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2008

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.

These financial statements consolidate the results of the Guild and its wholly owned subsidiary, Festival of Quilts Limited, on a line by line basis. A separate Statement of Financial Activities for the Guild itself is not presented because The Guild has taken advantage of the exemptions afforded by Section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

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 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.
- Membership subscriptions are included in the Statement of Financial Activities for the period to which they relate, subscriptions received in advance being deferred to future periods.
- Life membership subscriptions received are credited to a designated fund and amounts are released to the General Reserve as required.
- Tax recoverable on covenanted income and Gift Aid donations are brought into account as and when received.

Investment income is included when receivable.

Volunteers and donated services

No amounts are included in the financial statements for services donated by volunteers.

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.



THE QUILTERS' GUILD OF THE BRITISH ISLES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2008

2 Accounting policies (continued)

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 Statement of Financial Activities 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.

Fixed assets

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

Computer equipment	- 33.3% straight line
Office equipment	- 20% straight line
Resource centre	- 10% straight line

No depreciation is charged in the year of acquisition.

The Guild owns a number of Heritage and Modern Quilts, the majority of which have been donated. In view of the difficulty in valuing these historical and inalienable assets, no value has been placed on these quilts for the purpose of these financial statements.

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 valued at the lower of cost or market value.

Leasing commitments

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Pension costs

The company operates a defined contribution pension scheme for the benefit of one employee who has elected to forfeit salary for pension contributions. The cost of contributions are charged to the Statement of Financial Activities as they become payable.

Funds structure

The Guild has restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds which the trustees are free to use for any purpose in furtherance of the charitable objects.



THE QUILTERS' GUILD OF THE BRITISH ISLES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2008

3	Net incoming (outgoing) resources for the year	2008 £	2007 £
	This is stated after charging:		
	Depreciation	2,255	6,816
	Loss on disposal of fixed assets	4,408	-
	Audit services	4,400	4,400
	Other accountancy services	5,000	5,000

4 Incoming resources from charitable activities

	Unrestricted Funds		Restricted	Total Funds	
	General	Designated	Funds	2008	2007
	£	£	£	£	£
Grants:					
Heritage Lottery Fund	-	-	96,750	96,750	-
Awards for All	-	-	-	-	5,320
Esmée Fairbairn Foundation	-	-	-	-	7,148
Arts Council – Old	-	-	2,148	2,148	5,000
Arts Council - New	-	-	20,000	20,000	-
	-	-	118,898	118,898	17,468
Other activities:					
British Quilt Studies Group	-	17,004	-	17,004	12,953
Conference	71,993	-	-	71,993	26,149
Contemporary Quilt Group	-	16,427	-	16,427	3,578
Judging course	2,400	-	-	2,400	13,200
Magazine advertisements	13,686	-	-	13,686	11,369
Marketing	14,879	-	-	14,879	12,504
Miniature Quilt Group	-	1,556	-	1,556	1,734
Admissions	34,835	-	-	34,835	-
Other Museum/Collection receipts	3,604	1,060	-	4,664	-
Outreach	129	-	-	129	20
Quilt Museum and Gallery	-	41,803	-	41,803	54,893
Regional activities	130,002	-	-	130,002	122,448
Resource centre	-	-	-	-	2,086
Traditional Quilt Group	-	4,311	-	4,311	2,650
	271,528	82,161	-	353,689	263,584



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5 Total resources expended

	Basis of Allocation	Museum Shop	Sales	Unrestricted Charitable	Arts Council	Heritage Lottery	Barbara Bailey	Awards for All	Governance Costs	2008 Total	2007 Total
		£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities											
Arts Council	Direct	-	-	-	20,986	-	-	-	-	20,986	-
British Quilt Studies Group	Direct	-	-	15,247	-	-	-	-	-	15,247	13,173
Commercial Manager	Direct	-	-	1,037	-	-	-	-	-	1,037	-
Conference	Direct	-	-	60,905	-	-	-	-	-	60,905	16,940
Conservation Fund	Direct	-	-	-	-	-	-	-	-	-	4,355
Contemporary Quilt Group	Direct	-	-	12,071	-	-	-	-	-	12,071	2,983
Heritage Lottery	Direct	-	-	-	-	14,058	-	-	-	14,058	-
Heritage	Direct	-	-	-	-	-	-	-	-	-	35
Heritage Acquisition Fund	Direct	-	-	-	-	-	-	-	-	-	4,825
Marketing – Festival of Quilts	Direct	-	-	11,007	-	-	-	-	-	11,007	11,797
Marketing – International	Direct	-	-	290	-	-	-	-	-	290	970
Marketing – Public Relations	Direct	-	-	7,283	-	-	-	-	-	7,283	19,198
Membership – Quilter	Direct	-	-	66,327	-	-	-	-	-	66,327	72,324
Membership – Regional Organisation	Direct	-	-	4,566	-	-	-	-	-	4,566	4,967
Membership – Regional Training	Direct	-	-	945	-	-	-	900	-	1,845	5,716
Membership – Textile Perspectives	Direct	-	-	4,114	-	-	-	-	-	4,114	3,510
Miniature Quilt Group	Direct	-	-	1,701	-	-	-	-	-	1,701	1,524
Museum/Collection Care	Direct	-	-	13,710	-	-	-	-	-	13,710	-
Outreach – Education	Direct	-	-	2,218	-	-	-	-	-	2,218	2,984
Outreach – Education Judging Course	Direct	-	-	7,623	-	-	-	-	-	7,623	6,218
Outreach – National Exhibition	Direct	-	-	358	-	-	-	-	-	358	730
Quilt Museum and Gallery	Direct	-	-	30	-	-	52,227	-	-	52,257	43,634
Quilt Museum Shop	Direct	20,880	-	-	-	-	-	-	-	20,880	-
Regional activities	Direct	-	-	117,397	-	-	-	-	-	117,397	141,402
Resource centre	Direct	-	-	-	-	-	-	-	-	-	16,621
Traditional Quilt Group	Direct	-	-	3,695	-	-	-	-	-	3,695	2,360
Cost of sales stock sold	Direct	-	6,423	-	-	-	-	-	-	6,423	5,789
Stock valuation write down	Direct	-	-	-	-	-	-	-	-	-	3,745
Repayment of tax reclaimed on Gift Aid	Direct	-	-	-	-	-	-	-	-	-	7,000
		<u>20,880</u>	<u>6,423</u>	<u>330,524</u>	<u>20,986</u>	<u>14,058</u>	<u>52,227</u>	<u>900</u>	<u>-</u>	<u>445,998</u>	<u>392,800</u>

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5 Total resources expended (continued)

Support costs allocated to activities

	Basis of Allocation	Museum Shop	Sales	Unrestricted Charitable	Arts Council	Heritage Lottery	Barbara Bailey	Awards for All	Governance Costs	2008 Total	2007 Total
		£	£	£	£	£	£	£	£	£	£
Governance – AGM	Direct	-	-	-	-	-	-	-	3,736	3,736	3,042
Governance – General	Direct	-	-	-	-	-	-	-	8,589	8,589	11,637
Depreciation of equipment	Direct	-	-	99	-	-	-	-	-	99	6,816
Depreciation of Quilt Museum and Gallery	Direct	-	-	2,156	-	-	-	-	-	2,156	-
Loss on disposal of fixed assets	Direct	-	-	4,408	-	-	-	-	-	4,408	-
Administrative salaries and pensions	Direct	-	-	80,027	-	-	-	-	-	80,027	18,853
Employer's National Insurance	Direct	-	-	6,103	-	-	-	-	-	6,103	1,341
Development manager costs	Direct	-	-	16,576	-	-	-	-	-	16,576	31,724
Rents and associated services	Direct	-	-	22,583	-	-	-	-	-	22,583	10,560
Rates	Direct	-	-	156	-	-	-	-	-	156	399
Light and heat	Direct	-	-	3,270	-	-	-	-	-	3,270	1,215
Insurance	Direct	-	-	5,399	-	-	-	-	-	5,399	6,932
Computer maintenance	Direct	-	-	2,927	-	-	-	-	-	2,927	2,527
Equipment hire maintenance	Direct	-	-	4,394	-	-	-	-	-	4,394	3,764
Telephone and internet	Direct	-	-	9,774	-	-	-	-	-	9,774	2,148
Printing, stationery and postage	Direct	-	-	12,374	-	-	-	-	-	12,374	10,048
Audit and accountancy charges	Direct	-	-	-	-	-	-	-	14,375	14,375	11,833
Professional fees	Direct	-	-	59,097	-	-	-	-	-	59,097	50,155
Bank charges	Direct	-	-	2,532	-	-	-	-	-	2,532	2,146
Interest paid	Direct	-	-	52	-	-	-	-	-	52	-
Bad debt write off	Direct	-	-	(339)	-	-	-	-	-	(339)	-
Sundries	Direct	-	-	3,336	-	-	-	-	-	3,336	3,277
		-	-	234,924	-	-	-	-	26,700	261,624	178,417
		-	-	-	-	-	-	-	-	-	-
		20,880	6,423	565,448	20,986	14,058	52,227	900	26,700	707,622	571,217

Total resources expended



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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	2008 £	2007 £
Turnover	125,697	51,144
Cost of sales and administrative expenses	(103,327)	(37,193)
Interest receivable	1,643	1,704
Interest paid	(52)	-
Profit for the financial year	23,961	15,655
Gift Aid donation to parent company	(15,655)	(11,183)
Retained profit brought forward	30,270	25,798
Retained profit carried forward	<u>38,576</u>	<u>30,270</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	12,885	-
Current assets	48,124	107,219
Creditors: amounts falling due within one year	(22,431)	(76,947)
Total net assets	<u>38,578</u>	<u>30,272</u>
Aggregate share capital and reserves	<u>38,578</u>	<u>30,272</u>

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	2008 £	2007 £
Staff costs were as follows:		
Salaries and wages	83,800	59,646
Social security costs	7,679	5,290
Pension costs	527	1,332
Redundancy payments	10,700	-
Total	<u>102,706</u>	<u>66,268</u>

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



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8 Staff costs and number (continued)

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

	2008 £	2007 £
Charity activities	3	1
Cost of generating funds	2	-
Administration and support	1	2
Total	<u>6</u>	<u>3</u>

9 Trustee remuneration and related parties

No directors or council members received any remuneration during the year. Reimbursements totalling £7,676 (2007: £7,025) 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 £527 (2007: £1,332).

11 Tangible fixed assets

Group	Computer equipment £	Office equipment £	Resource Centre equipment £	Quilt Museum, Gallery & Shop £	Total £
Cost					
At 1 January 2008	55,478	5,304	21,346	-	82,128
Additions	-	1,315	-	77,461	78,776
Disposals	(50,232)	-	-	-	(50,232)
Transfers	-	-	(21,346)	21,346	-
At 31 December 2008	<u>5,246</u>	<u>6,619</u>	<u>-</u>	<u>98,807</u>	<u>110,672</u>
Depreciation					
At 1 January 2008	51,070	5,205	8,182	-	64,457
Charge for year	-	99	-	2,156	2,255
Disposals	(45,824)	-	-	-	(45,824)
Transfers	-	-	(8,182)	8,182	-
At 31 December 2008	<u>5,246</u>	<u>5,304</u>	<u>-</u>	<u>10,338</u>	<u>20,888</u>
Net book value					
At 31 December 2008	-	1,315	-	88,469	89,784
At 31 December 2007	<u>4,408</u>	<u>99</u>	<u>13,164</u>	<u>-</u>	<u>17,671</u>



THE QUILTERS' GUILD OF THE BRITISH ISLES

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11 Tangible fixed assets (continued)

Guild	Computer equipment £	Office equipment £	Resource Centre equipment £	Quilt Museum & Gallery £	Total £
Cost					
At 1 January 2008	55,478	5,304	21,346	-	82,128
Additions	-	1,315	-	64,576	65,891
Disposals	(50,232)	-	-	-	(50,232)
Transfers	-	-	(21,346)	21,346	-
At 31 December 2008	5,246	6,619	-	85,922	97,787
Depreciation					
At 1 January 2008	51,070	5,205	8,182	-	64,457
Charge for year	-	99	-	2,156	2,255
Disposals	(45,824)	-	-	-	(45,824)
Transfers	-	-	(8,182)	8,182	-
At 31 December 2008	5,246	5,304	-	10,338	20,888
Net book value					
At 31 December 2008	-	1,315	-	75,584	76,899
At 31 December 2007	4,408	99	13,164	-	17,671

12 Investments – Group and Guild

	2008 £	2007 £
M & G Charifund Income Units		
Cost at 1 January 2008	5,000	115,629
Disposal	-	(110,629)
Cost at 31 December 2008	5,000	5,000
Market value at 31 December 2008	6,440	9,505

13 Debtors and prepayments

	Group		Guild	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	4,259	4,783	49	213
Prepayments and accrued income	7,145	25,897	4,361	20,456
Other debtors	2,000	-	2,000	-
Amount due from subsidiary undertaking	-	-	15,191	3,033
	13,404	30,680	21,601	23,702



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14 Income in advance

Income in advance comprises deferred membership subscription income and monies received in advance in relation to the Conference and AGM.

	Group £	Guild £
Balance at 1 January 2008	142,008	70,904
Amount released to incoming resources	(142,008)	(70,904)
Amount deferred in year	74,356	73,372
Balance at 31 December 2008	<u>74,356</u>	<u>73,372</u>

	Group		Guild	
	2008 £	2007 £	2008 £	2007 £
15 Creditors and accruals				
Trade creditors	22,031	38,141	18,466	37,758
Other taxes and social security costs	3,840	2,618	3,299	2,367
Accruals and deferred income	17,486	8,628	15,336	6,453
	<u>43,357</u>	<u>49,387</u>	<u>37,101</u>	<u>46,578</u>

16 Movements in unrestricted funds

Group	As at 1 January 2008 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2008 £
General Reserves					
General Reserves	80,704	394,785	(468,340)	(2,655)	4,494
Regional Funds (General)	82,773	130,002	(117,397)	-	95,378
Total General Reserves	<u>163,477</u>	<u>524,787</u>	<u>(585,737)</u>	<u>(2,655)</u>	<u>99,872</u>
Designated Funds					
St Anthony's Fund	48,063	41,803	-	-	89,866
Life Membership Fund	8,441	960	-	(1,254)	8,147
Founder Members Bursary Fund	2,420	-	-	-	2,420
Young Quilters Challenge Fund	288	-	-	-	288
British Quilt Studies Group Fund	7,217	17,004	(15,247)	2,923	11,897
Contemporary Quilt Group Fund	3,698	16,427	(12,071)	-	8,054
Miniature Quilt Group Fund	1,959	1,556	(1,701)	-	1,814
Traditional Quilt Group Fund	1,742	4,311	(3,695)	-	2,358
Collections Management Fund	4,768	1,060	(1,000)	-	4,828
Total Designated Funds	<u>78,596</u>	<u>83,121</u>	<u>(33,714)</u>	<u>1,669</u>	<u>129,672</u>
Total Unrestricted Funds	<u>242,073</u>	<u>607,908</u>	<u>(619,451)</u>	<u>(986)</u>	<u>229,544</u>



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16 Movements in unrestricted funds (continued)

Guild	As at 1 January 2008 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2008 £
General Reserves					
General Reserves	50,434	283,099	(364,962)	(2,655)	(34,084)
Regional Funds (General)	82,773	130,002	(117,397)	-	95,378
Total General Reserves	133,207	413,101	(482,359)	(2,655)	61,294
Designated Funds					
St Anthony's Fund	48,063	41,803	-	-	89,866
Life Membership Fund	8,441	960	-	(1,254)	8,147
Founder Members Bursary Fund	2,420	-	-	-	2,420
Young Quilters Challenge Fund	288	-	-	-	288
British Quilt Studies Group Fund	7,217	17,004	(15,247)	2,923	11,897
Contemporary Quilt Group Fund	3,698	16,427	(12,071)	-	8,054
Miniature Quilt Group Fund	1,959	1,556	(1,701)	-	1,814
Traditional Quilt Group Fund	1,742	4,311	(3,695)	-	2,358
Collections Management Fund	4,768	1,060	(1,000)	-	4,828
Total Designated Funds	78,596	83,121	(33,714)	1,669	129,672
Total Unrestricted Funds	211,803	496,222	(516,073)	(986)	190,966

Purposes of designated funds

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

St Anthony's Fund	- Contributions towards the running costs of the Quilt Museum and Gallery.
Life Membership Fund	- Holds monies received from life members for their life membership subscriptions. Amounts are released to the general reserve each year based on the rate of subscriptions at the year end.
Founder Members' Bursary Fund	- To enable Guild members to further their knowledge of patchwork and quilting.
Young Quilters Challenge Fund	- Towards awards for the Young Quilter Challenge.
Collections Management Fund	- Contributions towards the acquisition and conservation of quilts.



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17 Movement in restricted funds

Group and Guild	As at 1 January 2008 £	Incoming Resources £	Outgoing Resources £	Recognised losses on investments £	Transfers £	As at 31 December 2008 £
Grant Funds						
Heritage Lottery Fund	-	96,750	(14,058)	-	-	82,692
NHMF Lottery Fund	1,022	-	-	-	-	1,022
Arts Council – Old	(2,148)	2,148	-	-	-	-
Arts Council – New	-	20,000	(20,986)	-	986	-
Awards for All	2,123	-	(900)	-	-	1,223
Voluntary Museum	578	-	-	-	-	578
Total Grant Funds	1,575	118,898	(35,944)	-	986	85,515
Legacy Funds						
Sue Belton	11,098	592	-	(3,065)	-	8,625
The Bailey Fund	283,775	3,145	(52,227)	-	-	234,693
Sue Ridgewell	814	45	-	-	-	859
Total Legacy Funds	295,687	3,782	(52,227)	(3,065)	-	244,177
Donation Funds						
QGBI Education and Travel Scholarship fund	-	35,805	-	-	-	35,805
Total Donation Funds	-	35,805	-	-	-	35,805
Total Restricted Funds	297,262	158,485	(88,171)	(3,065)	986	365,497

Purposes of Grant Funds

Heritage Lottery Fund	- Grant towards an education and learning programme
NHMF Lottery Fund	- Grant towards an outreach project aimed at young carers
Arts Council – Old	- Grant towards the employment of a development manager
Arts Council – New	- Grant towards the costs of the exhibition “Quilts in Time”
Esmée Fairbairn Foundation	- Grant towards 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 Education
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.

Purpose of Donation Fund

QGBI Education and Travel Scholarship	- Bursaries to fulfil the Guild’s educational remit for members and students
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THE QUILTERS' GUILD OF THE BRITISH ISLES

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18 Analysis of net assets between funds

	Unrestricted Reserves £	Grant Funds £	Legacy Funds £	QGBI Education & Travel Scholarship £	Total Funds £
Tangible fixed assets	25,208	-	64,576	-	89,784
Investments	-	-	6,440	-	6,440
Current assets	322,049	85,515	173,161	35,805	616,530
Current liabilities	(117,713)	-	-	-	(117,713)
Net assets at 31 December 2008	<u>229,544</u>	<u>85,515</u>	<u>244,177</u>	<u>35,805</u>	<u>595,041</u>

19 Contingent asset regarding Gift Aid claim

Since the accounting date the Gift Aid compliance inspection, which began last year, has been concluded and the balance payable is £11,983. This amount will be settled by offset against claims for Gift Aid for 2007 and 2008. Those claims are expected to exceed the amount payable by at least £5,000, resulting in a net claim receivable in the year ending 31 December 2009.

20 Operating lease commitments

	Land and buildings £	Other £
Rentals payable in the next year under non-cancellable operating leases		
Leases which terminate:		
In more than one year but not more than five years	-	5,473
In more than five years	<u>34,500</u>	<u>-</u>

21 Capital commitments

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