

REGISTERED COMPANY NUMBER: 05608888
REGISTERED CHARITY NUMBER: 1113675

**THE MAKERS GUILD IN WALES
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**



Carr, Jenkins & Hood
Redwood Court
Tawe Business Village
Swansea Enterprise Park
Swansea
SA7 9LA

THE MAKERS GUILD IN WALES

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THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2010

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05608888

Registered Charity number

1113675

Registered office

Craft in the Bay
The Flourish
Lloyd George Avenue
Cardiff
CF10 4QH

Trustees

L J Barrett

M Binet Fauvel

D O Dowdeswell

D G Freeman

H J Murdoch

E K Powell

D P G Thomas

P Williams

J Mendelssohn

W Cowley

S Halstead

E Davies

L Thomas

D Lewis

D Hill

Chairperson**Vice-chairperson**

- resigned 02/07/2009

- resigned 15/10/2009

- resigned 21/04/2010

- resigned 24/01/2010

- resigned 24/01/2010

- appointed 15/10/2009

- appointed 24/01/2010

- appointed 24/01/2010

Independent Examiner

Carr, Jenkins & Hood
Redwood Court
Tawe Business Village
Swansea Enterprise Park
Swansea
SA7 9LA

INCORPORATION AND COMMENCEMENT OF ACTIVITIES

The Charity was incorporated on 1 November 2005 and commenced trading on 1 October 2006, when it merged its two previous organisations into one single corporate charity. The charity under its previous identity's has traded since 1984.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity is a company limited by guarantee and was registered with the Charity Commission on 6 April 2006, although The Makers Guild in Wales was first established by a group of makers in 1984. The Governing Documents are held at Craft in the Bay. In October 2006, the Guild agreed to the establishment of the current charity. There are two categories of membership, Maker Member and Supporter Member. In order to become Maker Members and thereby become entitled to display crafts in the premises "Craft in the Bay", offering their work for sale to the general public, applicants are required to submit their work to a rigorous artistic selection procedure.

THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees, who are either Maker or Supporter Members of the Guild, are appointed at the Annual General Meeting. A maximum of 25% are Maker Members and the remainder are recruited externally as Supporter Members according to the differing skills which are seen to be appropriate.

Induction and training of new trustees

There is no formal induction or training process for trustees as the skills and knowledge of trustees varies. However, consideration continues to be given to introducing a standard procedure including an orientation day in order to brief the Trustees on their legal obligations under charity and company law.

Organisational structure

The governing body is the Board of Trustees who are non-executive, unpaid and meet at least quarterly. In addition to liaising with the Makers Forum, a body set up to represent the interests of Maker members, the Board has established two sub-committees, a Finance and General Purpose Committee, covering Audit and Financial activities, and an Education and Exhibitions Committee to ensure full adherence to our commitments in these areas. The Board have delegated the general day to day running of the Charity to Mr S Burgess, the General Manager.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risk assessment and the management of risk is a continuous process with all areas being addressed as required and the Trustees are satisfied that appropriate action has been taken to mitigate any impact of these risks.

Staffing

The Guild employs 3 full-time staff (2009 - 3) and 3 part-time staff (2009 - 3). Since April 2008 the Guild has operated a defined contribution pension scheme for the benefit of its employees. The staffing of the retail area is supplemented each day by volunteers (403 days in 2009) including Maker Members.

OBJECTIVES AND ACTIVITIES

Objectives

The objects of the Charity are to advance education for the public benefit in the visual arts and crafts and in particular, but not exclusively, by exhibitions of high quality hand made crafts and the provision of workshop programmes.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Guild organises and manages programmes of educational activities both on and off site, which include workshops, lectures, demonstrations and exhibitions. The target audiences include local community groups, schools (all key stages), Further and Higher Education Institutions, and anyone wishing to learn or improve skills. The Gallery is open free of charge to the public on 363 days every year, last year the visitor numbers were 102,591. The Trustees particularly acknowledge partnerships with The Arts Council of Wales, Wales Millennium Centre and the Red Dragon Centre.

FINANCIAL REVIEW

Review of finances

The Statement of Financial Activities shows net outgoing funds for the year of £20,542 (2009-net outgoing funds of £11,602). A net worsening of £8,940 which can be directly attributed to the £8,370 which had to be spent on painting and treatment of external ironwork of our Grade II listed premises at Craft in the Bay.

Reserves policy

The trustees ensure that the disposition of restricted funds is in accordance with donor requirements. During the year under review unrestricted funds have diminished, a trend which will continue in the current year as the Trustees strive to ensure that the fabric of the Grade II listed building owned by the Guild does not deteriorate.

THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2010

FINANCIAL REVIEW

Principal funding sources

Commissions from the sale of Maker Members' work displayed in the main gallery, rental income from the café, income from educational activities and the letting of meeting rooms produce the bulk of the Charity's income

Some 30% of the Gallery floor area is designated for visiting and in house Exhibitions which, together with Educational facilities offered to people of all ages in two workshop areas on the ground floor, is part funded by the Arts Council of Wales. The revenues and associated costs are those designated as 'Restricted funds' in the financial statements

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charity has power to invest in any way the trustees wish. The Trustees regularly review the investment funds to ensure they are the most appropriate for the Charity

Factors affecting the Charity

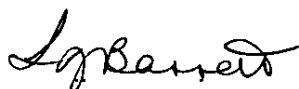
The Guild has received support from the Arts Council of Wales in recent years but at ever decreasing levels which puts a strain on Guild finances. The responsibilities which come with the ownership of Grade II listed premises are now being felt as demonstrated above under review of finances

FUTURE DEVELOPMENTS

While the Trustees believe that the Balance Sheet is sufficiently strong to meet immediate challenges they are currently addressing major new initiatives with existing and potential new partners which, if they reach a successful conclusion, should ensure the Guild's long term future

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD



L J Barrett - Trustee

Date 14 Oct 2010.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MAKERS GUILD IN WALES

I report on the accounts for the year ended 30 June 2010 set out on pages five to twelve

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is required

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under Section 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 Act), and
- to state whether particular matters have come to my attention

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below

Independent examiner's statement

In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Paul Carr FCA
Carr, Jenkins & Hood
Chartered Accountants
Redwood Court
Tawe Business Village
Swansea Enterprise Park
Swansea
SA7 9LA

Date 14.10.10

THE MAKERS GUILD IN WALES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2010

	Note s	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		9,928	-	9,928	9,893
Activities for generating funds	2	93,645	-	93,645	76,777
Investment income	3	17,841	-	17,841	20,114
Incoming resources from charitable activities					
General		7,734	-	7,734	10,122
Exhibition		11,890	10,687	22,577	21,693
Workshop		<u>24,442</u>	<u>10,687</u>	<u>35,129</u>	<u>35,297</u>
Total incoming resources		165,480	21,374	186,854	173,896
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	4	17,384	29,637	47,021	31,739
Charitable activities					
General		73,412	-	73,412	60,600
Exhibition		5,392	23,949	29,341	28,041
Workshop		9,755	14,885	24,640	24,595
Governance costs		<u>32,982</u>	<u>-</u>	<u>32,982</u>	<u>40,523</u>
Total resources expended		138,925	68,471	207,396	185,498
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		26,555	(47,097)	(20,542)	(11,602)
Gross transfers between funds	13	<u>(37,891)</u>	<u>37,891</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		(11,336)	(9,206)	(20,542)	(11,602)
RECONCILIATION OF FUNDS					
Total funds brought forward		68,300	13,750	82,050	93,652
TOTAL FUNDS CARRIED FORWARD		<u>56,964</u>	<u>4,544</u>	<u>61,508</u>	<u>82,050</u>

The notes form part of these financial statements

THE MAKERS GUILD IN WALES

REGISTERED COMPANY NUMBER: 05608888
REGISTERED CHARITY NUMBER: 1113675

BALANCE SHEET
AT 30 JUNE 2010

	Note	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
FIXED ASSETS					
Tangible assets	9	1,169,294	-	1,169,294	1,180,906
CURRENT ASSETS					
Stocks		5,513	-	5,513	1,795
Debtors	10	29,306	4,544	33,850	36,962
Cash at bank and in hand		<u>27,218</u>	<u>-</u>	<u>27,218</u>	<u>46,362</u>
		62,037	4,544	66,581	85,119
CREDITORS					
Amounts falling due within one year	11	(43,987)	-	(43,987)	(43,539)
NET CURRENT ASSETS		<u>18,050</u>	<u>4,544</u>	<u>22,594</u>	<u>41,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,187,344	4,544	1,191,888	1,222,486
ACCRUALS AND DEFERRED INCOME	12	(1,130,380)	-	(1,130,380)	(1,140,436)
NET ASSETS		<u>56,964</u>	<u>4,544</u>	<u>61,508</u>	<u>82,050</u>
FUNDS	13				
Unrestricted funds				56,964	68,300
Restricted funds				<u>4,544</u>	<u>13,750</u>
TOTAL FUNDS				<u>61,508</u>	<u>82,050</u>

The notes form part of these financial statements

THE MAKERS GUILD IN WALES

BALANCE SHEET - CONTINUED AT 30 JUNE 2010

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2010

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2010 in accordance with Section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on *14 October 2010* and were signed on its behalf by



D P G Thomas -Trustee

THE MAKERS GUILD IN WALES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared under the historical cost convention

The charity has taken advantage of the exception in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" 2005

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

The grants awarded for the purpose of purchasing fixed assets are treated as deferred income, and amortised over the life of the corresponding assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis

Allocation and apportionment of costs

Certain expenditure is directly attributable to specific activities and has been included in those cost categories, other expenditure has been apportioned on the basis of floor space used by the activities involved

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold land	Freehold land is not depreciated
Freehold property	123 years straight line
Plant and machinery	5 years straight line
Fixtures, fittings and equipment	5 to 10 years straight line

Stocks

Stocks consist of cards and magazines, and are valued at the lower of cost and net realisable value

Taxation

The charity is exempt from corporation tax on its charitable activities

THE MAKERS GUILD IN WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2010

1 ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds may be used in accordance with the charitable objectives, at the discretion of the trustees

Restricted funds may only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

2 ACTIVITIES FOR GENERATING FUNDS

	2010 £	2009 £
Shop income	<u>93,645</u>	<u>76,777</u>

3. INVESTMENT INCOME

	2010 £	2009 £
Rents received	9,000	9,000
Room rental income	8,825	10,606
Deposit account interest	<u>16</u>	<u>508</u>
	<u>17,841</u>	<u>20,114</u>

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2010 £	2009 £
Purchases	36,481	25,678
Shop rental	2,040	-
Advertising	4,960	2,592
Support costs	<u>3,540</u>	<u>3,469</u>
	<u>47,021</u>	<u>31,739</u>

THE MAKERS GUILD IN WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2010

5 SUPPORT COSTS

	Management £
Fundraising trading cost of goods sold and other costs	3,540
Governance costs	32,982
General	22,501
Exhibition	5,392
Workshop	<u>9,755</u>
	<u>74,170</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2010 £	2009 £
Depreciation - owned assets	<u>11,612</u>	<u>13,034</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2010 nor for the year ended 30 June 2009

Trustees' Expenses

There were no trustees' expenses paid for the year ended 30 June 2010 nor for the year ended 30 June 2009

Trustees are paid an allowance for travelling to board meetings, this totalled £125 in the year

8. STAFF COSTS

	2010 £	2009 £
Wages and salaries	96,967	86,533
Other pension costs	<u>3,282</u>	<u>3,221</u>
	<u>100,249</u>	<u>89,754</u>

THE MAKERS GUILD IN WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2010

9 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 July 2009 and 30 June 2010	<u>1,240,381</u>	<u>483</u>	<u>77,029</u>	<u>1,317,893</u>
DEPRECIATION				
At 1 July 2009	62,783	483	73,721	136,987
Charge for year	<u>10,084</u>	<u>-</u>	<u>1,528</u>	<u>11,612</u>
At 30 June 2010	<u>72,867</u>	<u>483</u>	<u>75,249</u>	<u>148,599</u>
NET BOOK VALUE				
At 30 June 2010	<u>1,167,514</u>	<u>-</u>	<u>1,780</u>	<u>1,169,294</u>
At 30 June 2009	<u>1,177,598</u>	<u>-</u>	<u>3,308</u>	<u>1,180,906</u>

10 DEBTORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	9,126	10,255
Other debtors	<u>24,724</u>	<u>26,707</u>
	<u>33,850</u>	<u>36,962</u>

11 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	14,469	15,788
Taxation and social security	1,444	936
Other creditors	<u>28,074</u>	<u>26,815</u>
	<u>43,987</u>	<u>43,539</u>

12 ACCRUALS AND DEFERRED INCOME

	2010 £	2009 £
Deferred government grants	<u>1,130,380</u>	<u>1,140,436</u>

Deferred income is made up of grants awarded for the purpose of purchasing the charity's premises. The grant is treated as deferred income, and amortised over the life of the corresponding assets.

THE MAKERS GUILD IN WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2010

13 MOVEMENT IN FUNDS

	At 1 7 09 £	Net movement in funds £	Transfers between funds £	At 30 6 10 £
Unrestricted funds				
General fund	68,300	26,555	(37,891)	56,964
Restricted funds				
Exhibition	6,875	(24,494)	19,891	2,272
Workshop	<u>6,875</u>	<u>(22,603)</u>	<u>18,000</u>	<u>2,272</u>
	13,750	(47,097)	37,891	4,544
TOTAL FUNDS	<u>82,050</u>	<u>(20,542)</u>	<u>-</u>	<u>61,508</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	165,480	(138,925)	26,555
Restricted funds			
Exhibition	10,687	(35,181)	(24,494)
Workshop	<u>10,687</u>	<u>(33,290)</u>	<u>(22,603)</u>
	21,374	(68,471)	(47,097)
TOTAL FUNDS	<u>186,854</u>	<u>(207,396)</u>	<u>(20,542)</u>

Restricted funds are grants received for specific charitable objectives

14 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of trustees