



THE QUILTERS' GUILD OF THE BRITISH ISLES

TRUSTEES' ANNUAL REPORT

31 DECEMBER 2010

Company Secretary and Registered Office

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

Auditor

HPH, Chartered Accountants
54 Bootham
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Bankers

Unity Trust Bank plc.
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Company Registration Number: 3447631
Charity Registration Number: 1067361

THE QUILTERS' GUILD OF THE BRITISH ISLES
REPORT AND FINANCIAL STATEMENTS

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ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (‘The Guild’ or the ‘Company’)

for the year ended 31 December 2010

The Directors present their report together with the financial statements of The Guild for the year ended 31 December 2010.

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 who served during the year were:

QGBI Directors

Kathleen Fisher (appointed 30/4/10)
Marilyn Lovett
Janet Rae (appointed 30/4/10)
Jane Steward (appointed 30/4/10)
Jan Williams (resigned 30/4/10)
Lesley Hurrell (resigned 30/1/10)

Festival of Quilts Ltd. Directors

Wendy Greensmith
Anne Hardcastle (appointed 26/3/10)
Marilyn Lovett (resigned 26/3/10)
Elizabeth Whitehouse (appointed
26/3/10)
Amanda Wright

Council Members

Executive Committee

Margaret Hughes (President, resigned 30 April 2010)
Marilyn Lovett (President from 1 May 2010)
Kathleen Fisher (Membership & Operations)
Ann Hardcastle (Marketing from May 2010)
Jan Rae (Museum)
Jan Williams (Membership to 30 April 2010)
Lesley Hurrell (Treasurer to 30 January 2010)

Elected Trustees

Margaret Boe
Vivien Finch
Gilly Rose
Jane Steward
Jacqueline Veazey (co-opted for 2010)

Guild Officers

Fiona Brockie (International)
Angela Daymond (Y.Q. Officer)
Connie Gilham (Festival of Quilts Event)
Judith Thomas (Assistant Treasurer)

Hilary Kennerley (Joint Conference)
Denise Davies (Joint Conference)
Kate Smith (Library)
Miriam Butler (Guild Exhibitions)

Staff

Chief Executive Officer

Liz Whitehouse

Museum Director

Fiona Diaper

Guild Staff

Carol Bowden (Administrator)
Katy Holmes (Membership Officer from 1 August 2010)
Kathleen Lloyd-Bradford (Finance Officer)

Museum Staff

Melanie Worgan (Education)
Heather Audin (Curator)
Virginia Hatton-Spillet (Volunteer
Organiser)
Sally Sculthorpe (from Aug 2010
maternity cover)

Festival of Quilts Ltd.

Catherine Candlin (Retail Manager)
Christine Morton (from Dec. 2010 maternity cover)

Museum Shop

Cathy Hook (Retail Assistant)
Ann Ludbrook (Retail Assistant)

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

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 and subject thereto by the rules of The Guild (the 'Rules').

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 trustees are invited to attend a training day which is designed to give an insight into roles and responsibilities and of the aims and objectives of The Guild.

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.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

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 November with meetings as required at intervals between these dates. Up to six of the Trustees may take responsibility for a specific area of The Guild's operations and are known as Executive Trustees. A sub-committee of these trustees may meet as required 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 can form sub-committees to direct the work of specific projects within the division. The Divisional Heads and Treasurer are appointed for a three year term and, currently, the President serves a two year term of office.

The Guild has a strong network of voluntary officers who further the aims of The Guild at national level and who all perform important roles within The Guild. These include 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 Coordinator who, along with an officer for each area in the region, a treasurer, a newsletter editor, a Young Quilter representative and website coordinator, work to promote The Guild in their local area by organising events for members. The Trustees acknowledge and thank the regional officers for the work that they do.

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

- The British Quilt Study Group (BQSG) (184 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 (256 members) is interested in creating quilts using the traditions of the past to produce modern quilts.
- The Contemporary Quilt Group (532 members) uses modern methods and techniques to explore the boundaries of patchwork and quilting.
- The Miniature Quilt Group (122 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. Membership of Contemporary Quilt increased by over 100 people during 2010, with Traditional and BQSG increasing their membership slightly and the Miniature Quilt Group remaining static.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Staffing

During 2010 The Guild employed the following staff:

- Chief Executive Officer (f/t)
- Museum Director (f/t)
- Museum Curator (0.6)
- Guild Administrator (0.8)
- Membership Officer (f/t – from August 2010)
- Finance Officer (f/t)
- 2 Retail Assistants (p/t)
- Commercial Manager (0.6) for The Guild's trading subsidiary Festival of Quilts Ltd.

Heritage Lottery Funding enables the employment of a full-time Museum Education Officer and a part-time (0.5) Volunteer Organiser for three years 2008 - 2011.

Management of membership was outsourced with Kingston Smith Association Management until the end of July 2010, when this was brought in-house with the employment of a Membership Officer.

Related Parties

Festival of Quilts Limited ('FoQ') is a wholly owned subsidiary of The Quilters' Guild, trading as QGBI Enterprises. It is responsible for the commercial activities of The Guild and passes any profits made to the Charity. The Guild Collection of historic quilts and related items is held by a subsidiary trust: The Quilters' Guild Collection.

Achievements and Performance

The Guild

At the end of 2010 The Guild had 6,677 members, plus 61 Affiliated Groups. This represents an increase of 354 members in 2010. The key increase is in the number of members paying full subscriptions (full and international members), which grew by 269 during the year. Membership figures include 286 Students and Young Quilters, an improvement of 81 during the year.

Over 1,000 members were also members of one or more of the specialist groups.

The majority of activity in The Guild takes place in The Guild's regions and during 2010 a total of 166 events were organised by The Guild's regional groups across the whole of Great Britain, an increase of 35 events on the previous year. Workshops and talks were attended by 5,894 people, including 761 Young Quilters. In addition, over 7,000 people attended Region 10's exhibition at Lincoln Cathedral. See Appendix 1 for full details of regional activity.

The Guild's regions work in partnership with other organisations in their areas, for example Region 15E is building a relationship with Beamish Museum. In June 2010 they showed new quilts alongside quilts from the Beamish Collection in the museum's houses and in the Resource Centre on the site. Volunteers in period costume sat in the houses quilting and talked to visitors. Over 600 people came into the Resource Centre to see the quilts. Beamish is keen to build on this successful event.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Achievements and Performance (continued)

The Conference and AGM in 2010 was held in Southport and 330 members attended, taking part in workshops, lectures and visits to local attractions in addition to attending the Annual General Meeting.

From 20 July to 5 September 2010 The Guild staged an exhibition "Summer in the Park" at Rufford Craft Centre in Rufford Country Park, Nottinghamshire. 6,595 people attended the exhibition. Workshops were provided for both adults and children and volunteers from Region 10 gave demonstrations in the gallery. Comments included:

"What a wonderful experience, bright and alive – better than the V&A exhibition. Many thanks".

"Fantastic examples of the art of modern quilting! What a lot of talent on display!"

"Very, very inspirational, I'm amazed at the use of colour."

"Stunning and impressive exhibition! Children's corner a great hit – thank you."

The Guild's involvement with Creative Exhibitions Ltd. has allowed the profile of The Guild to be raised by the "Festival of Quilts" event held annually at the NEC, Birmingham. During 2010 there were approximately 1,000 quilts on display at the show and more than 33,000 people attended this four-day event. The Quilt Museum and Gallery showed an exhibition of historic wholecloth quilts. The Guild's contribution to the success of the show included organising stewarding of the exhibitions and providing workshops for children and young people. Over the four days, 116 places were taken by children, whose ages ranged from 5 to 16, both boys and girls.

"On behalf of my two grand-daughters Poppy and Lily Kemp, I just wanted to say a very big thank-you. They attended the children's class on Saturday morning and were thrilled to bits. They are really enthusiastic about sewing now. They came to lunch yesterday complete with ideas and kit to start making a quilt!" (Mrs Linda Kemp)

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.

In 2010 The Guild's BA Bursary of £1,000 to a graduating BA Textiles student was awarded to Nina Davis. Sue Dawson was awarded The Quilters' Guild City & Guilds Bursary of £1,000 in recognition of excellence in work produced on a City & Guilds course. The Travel & Education Bursary was awarded in 2010 jointly to two teachers: Terry Donaldson and Hazel Ryder. The Guild has other awards financed by bequests from members to promote patchwork and quilting, including the Sue Belton award and the Amy Emms award.

The Quilt Museum and Gallery

In 2008 The Guild relocated from Halifax to St. Anthony's Hall in York and opened the Quilt Museum and Gallery. The Guild's offices and library are also housed alongside the Museum at St. Anthony's Hall.

The Guild's collection of 800 historic and contemporary quilts and quilted items is one of the largest in the country and the Quilt Museum and Gallery is the only museum dedicated to patchwork and quilting in England.

During 2010 the Museum and Gallery engaged with 13,564 people through exhibitions and education programmes compared with 11,191 visitors in 2009. Of these 12,693 were paying visitors and 871 free (including the York Residents Weekend and previews).

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Achievements and Performance (continued)

The Museum and Gallery held eight major exhibitions on site and a further two exhibitions off-site in 2010. Exhibitions held on-site were:

<i>'The Celtic Fringe'</i>	In-house exhibition with wholecloth quilts from the Collection
<i>'Namad: A Persian Journey in Felt'</i>	Guest Exhibition from Collins Gallery, Glasgow
<i>'Inspired by the Past'</i>	In-house exhibition of historic and contemporary work
<i>'Breakthrough'</i>	Contemporary Quilt members' exhibition
<i>'Sewing in Wartime'</i>	An exhibition in collaboration with the Canadian Red Cross Quilt Research Group and others
<i>'Under African Skies'</i>	Work made in African fabrics curated by Maggie Relph
<i>'Freedom to Stitch'</i>	A guest exhibition by the Embroiderers' Guild
<i>'In Memory of Barbara'</i>	A retrospective exhibition of work by Barbara Bailey

'Sewing in Wartime' and *'Under African Skies'* were the most popular exhibitions held at St. Anthony's Hall to date with 5,430 visitors.

Exhibitions off-site were the Rufford Craft Centre exhibition and the Wholecloth Quilts exhibition at Festival of Quilts, both mentioned above.

Loans from the Collection during 2010 were made to Shipley Art Gallery, Gateshead (Retread 3 by Michelle Walker and Context by Sara Impey) for the *'Craftivism: Objects to Change the World'* exhibition July – November 2010. Four quilts from the Collection were shown as part of the Rufford Craft Centre exhibition.

The Guild has a policy of acquiring key historic and contemporary pieces for the Collection and during 2010 The Quilters' Guild Collection accepted 11 new acquisitions, bringing the total number of objects in the collection to 797 at the year end.

The Mary Prince Coverlet underwent extensive conservation work (surface cleaning, repairs and a new back attached) by conservator Janie Lightfoot with support of a 100% grant from the Association of Independent Museums made to The Guild in 2009. The piece was displayed in the *'Inspired by the Past'* exhibition.

Approximately 15 volunteers attended conservation training by conservator Jacqui Hymen, learning basic techniques in quilt conservation. This training was funded by the Heritage Lottery Fund as part of the 'Unfolding the Quilts' project (see below).

During 2010 the Quilt Museum and Gallery received Visit Britain, Visitor Attraction Quality Assurance Scheme (VAQAS) accreditation.

Heritage Lottery Funded Project: Unfolding the Quilts

2011 will be the final year of the three-year 'Unfolding the Quilts' project. The project, funded by the Heritage Lottery Fund, supports salary costs for the Education Officer and Volunteer Organiser and associated education and volunteer programmes at the Museum and Gallery. Since the project began in October 2008 the Museum and Gallery has engaged with approximately 6000 people through its education programme and over 180 people through its volunteer programme. In 2010 the Museum delivered 174 education sessions with 2,443 participants. Volunteers have contributed 4,174 hours the equivalent of two full-time staff, plus overtime.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Achievements and Performance (continued)

Festival of Quilts Ltd. ('FoQ'), The Guild's Trading Subsidiary

FoQ trades as 'QGBI Enterprises' to avoid confusion with the Festival of Quilts which is held annually at the NEC, Birmingham. FoQ, which is wholly owned by The Guild, has four main outlets for selling goods: the Museum shop, sales of goods through The Guild's regions at regional events, sales of goods at quilt and craft shows and sales through the on-line shop: www.quiltmuseumshop.org.uk. FoQ also handles the income and expenditure for The Guild's annual conference.

FoQ sells some goods especially produced for The Guild such as postcards, mugs, badges, tea towels, etc., together with quilting books and magazines, quilting equipment, kits, greetings cards, gifts and a selection of other items. Each year FoQ produces a calendar featuring quilts made by Guild members and from The Quilters' Guild Collection.

The gross Museum shop sales figure for 2010 was £63,417, compared with £46,119 in 2009.

The best performing category during 2010 was Books, contributing 33% of gross sales and 37% of gross profit. Fabrics was the second best performing gross sales category, however, Souvenirs took the second slot in terms of gross profit.

The most popular individual items sold in the **shop** were:

- **By quantity:** Postcards, Cards
- **By gross sales:** Sewing in Wartime book; Quilt Treasures
- **By profit:** Quilt Treasures; Sewing in Wartime book

The most popular individual items sold **on-line** were:

- **By quantity:** The Quilters' Guild 2011 calendar; Coasters
- **By gross sales:** The Quilters' Guild 2011 calendar; Quilt Treasures
- **By profit:** Quilt Treasures; The Quilters' Guild 2011 calendar

During 2010 an increased effort was made to have more exhibition related items for sale in the shop. This approach has proved successful with the Sewing in Wartime catalogue topping the Books category in volume terms & equalling Quilt Treasures in gross sales.

Following the reprint and release of Quilt Treasures early in 2010, the key challenge has been to generate volume sales. A number of initiatives have been instigated with varying degrees of success, i.e., a pre-release offer to Guild members; a range of trade discounts and a discount offer as part of a review in Popular Patchwork.

The on-line shop was launched in October, 2009, and on-line activity has continued to gain momentum, with orders growing strongly from October through to December as part of the build-up to Christmas. Throughout the year adverts have been placed in relevant magazines to increase awareness. Orders have been sent regionally, nationally and internationally, including customers in Israel, Australia and the USA.

FoQ donates any profits made to The Quilters' Guild and in 2010 donated £4,308.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

How the Public Benefits from the Activities of The Quilters' Guild

The above description of The Guild's activities during 2010 illustrates the wide range of benefits provided by The Quilters' Guild of the British Isles.

Membership of The Guild is open to anyone interested in patchwork, quilting and appliqué and we have concessionary rates for children and students under the age of 21 years.

Regional events include speakers, workshops and exhibitions and all Guild events (apart from the Conference and AGM) are open to both members and non-members. Attendance at Guild events in 2010 was split 78% members and 22% non-members (excluding attendance at exhibitions).

Over 750 children and young people took part in sewing workshops through the activities of our regions with a further 116 taking part at Festival of Quilts.

The Guild is actively involved in preserving the textile heritage of the UK through The Quilters' Guild Collection of historic and contemporary quilts. The activities of the regional and specialist groups enable The Guild to support the development of patchwork, quilting and appliqué in the present day.

The Quilt Museum and Gallery provides opportunities for the public to view both historic and contemporary quilts and textile work, from our own collection and on loan from other sources. Key pieces from The Quilters' Guild Collection can also be seen on the Museum website www.quiltmuseum.org.uk. Although visitors have to pay a small entrance fee to visit the Quilt Museum and Gallery there are concessionary rates for children, students and pensioners. Residents of York can visit the Museum and Gallery free one weekend each year as part of a wider City of York initiative. Pieces from the collection are loaned to other museums and shown in off-site exhibitions.

The educational activity based at the Quilt Museum and Gallery involved over 2,400 participants during 2010. Volunteering at the Museum and Gallery allowed 80 people the opportunity to meet new people, learn new skills and further their interest in historic quilts.

Patchwork and quilting is mainly a female occupation and The Guild works with people across all age ranges, although the majority of our members are aged over 50 years. We have members in every part of the country, in towns, cities and in the countryside and those who cannot attend events, for any reason, have the benefit of our publication 'The Quilter' and their regional magazine arriving four times a year.

Financial Review

Principal Funding Sources

Membership income remains the main source of funding for The Guild. During 2010 The Guild received £230,824 in annual membership income. Although members can join at any time of the year, the majority of membership renewals are in May, as this used to be the start of the 'Guild year'. This peak will diminish over time, allowing a more even flow of funds to be established.

During 2010 The Guild received the second instalment of the grant from the Heritage Lottery Fund which supported the Museum Education Officer and Volunteer Organiser and all aspects of their work, as described in 'Activities' above.

The Guild works with Creative Exhibitions to support the exhibitions and competitions at the Festival of Quilts at the NEC. This resulted in payment of £18,000 which helps to offset the cost of The Guild's involvement in the show.

The Guild's trading subsidiary FoQ produced £5,249 operating profit in 2010 before passing £4,308 in a charitable donation to The Guild.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Financial Review (continued)

During 2010 The Guild recovered £72,153 in Gift Aid from HMRC, which represented Gift Aid for 2009 and 2010, up to October. Gift Aid makes a highly valuable contribution to the running costs of The Guild.

Grants received in 2010

Heritage Lottery Fund (2 nd instalment)	£77,400
Yorventure, Colby Fabric Cabinet	£ 6,575
Renaissance Yorkshire, Small grants	£ 1,075
Renaissance Yorkshire, 2012 Ready Programme	£ 9,841
Clydesdale Bank	£ 500
AIM Grant	£ 2,683

Barbara Bailey Fund

In 1993 The Guild received a legacy from member Barbara Bailey to be used "to find a home for the Guild". The majority of this money was used in financing the move to York and the cash residue was transferred to the St. Anthony's Fund to support the running costs of the Quilt Museum and Gallery. The Barbara Bailey fund purchased fixed assets of £59,000 in 2008 which will remain in the fund and will be reduced by the release of depreciation each year until the assets are fully depreciated.

Young Quilters Fund

A fund was set up in 2010 to support The Guild's work with Young Quilters and this fund contained £5,000 at the year-end.

The Financial Position in 2010

The Group finished the year with a surplus of £32,700 on Unrestricted Funds, thanks to the recovery of Gift Aid relating to 2009. The surplus of £36,999 on Restricted Funds is mainly Heritage Lottery Funding to be carried forward to 2011.

The operation of the Quilt Museum and Gallery during 2010 continued to draw on The Guild's reserves and the trustees are conscious that reserves are reaching the minimum desirable level.

Investment Policy

The general reserve funds owned by The Guild are held in a 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 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. At the 31 December 2010 free reserves were £135,079.

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 COIF deposit accounts.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Financial Review (continued)

Plans for Future Periods

2010 was a successful year for The Guild in many ways, with an increase in membership, increased turnover in our trading company and an increase in visitors to the Quilt Museum and Gallery. However, it is clear to the trustees that the Museum and Gallery still does not bring in sufficient income to cover its operating costs and is highly unlikely to do so within the foreseeable future. During 2011 the trustees will continue to address the issues raised by the operation of the Quilt Museum and Gallery.

In 2011 we will give free admission for children to the Museum and Gallery to encourage family visits. We aim to raise funding from trusts to support volunteer and education projects beyond Heritage Lottery Funded Grant, an extension of the Curator's hours, the design and building of a permanent exhibition on the history and development of quilting and improved signage.

Through the appointment of a part-time Young Quilter Project Leader we will work to develop and support the work of voluntary Guild YQ Officers with children and young people across the whole of the UK. We will continue to raise funds to support this work.

During 2011 The Guild intends to upgrade its server and the iMIS database on which membership records are kept.

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 follow best practice:

- 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 2006. 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;
- 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.

ANNUAL REPORT OF

THE QUILTERS' GUILD OF THE BRITISH ISLES (continued) for the year ended 31 December 2010

Auditors

A resolution to renew the appointment of HPH, Chartered Accountants as auditors will be put to the Annual General Meeting.

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 small companies regime of the Companies Act 2006.

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

Michael Greensmith
Company Secretary

8 April 2011

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND TRUSTEES OF
THE QUILTERS' GUILD OF THE BRITISH ISLES**

We have audited the group and parent company financial statements of The Quilters' Guild of the British Isles for the year ended 31 December 2010, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the directors and trustees and auditor

The trustees' (who are also the directors for the purposes of company law) 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) and for being satisfied that the charitable company's financial statements give a true and fair view are set out in the Statement of Trustees'/Directors' responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. 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 adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Report of the Board of Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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 judgements made by the directors/trustees 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.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Annual Report is consistent with the financial statements.

54 Bootham
York
YO30 7XZ

R W Woolley BA (Hons), MCMI, FCA, MAAT, DChA
Senior Statutory Auditor
For and on behalf of:
HPH
Chartered Accountants and Statutory Auditor
8 April 2011

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income						
Donations		9,088	96	4,792	13,976	27,455
Tax reclaimed under gift aid		72,153	-	-	72,153	47,830
Activities for generating funds:						
Fundraising		16,260	-	-	16,260	-
Membership subscriptions		230,824	480	-	231,304	195,218
Quilt Museum Shop		63,417	-	-	63,417	40,759
Sales		18,831	-	-	18,831	12,481
Investment income		1,302	-	564	1,866	4,451
Income from charitable activities						
Grants	4	-	-	98,074	98,074	2,000
Other activities	4	60,253	212,530	-	272,783	293,553
Total incoming resources		£ 472,128	£ 213,106	£ 103,430	£ 788,664	£ 623,747
RESOURCES EXPENDED						
Costs of generating funds		77,058	-	-	77,058	45,115
Charitable activities		287,386	259,299	73,685	620,370	679,563
Governance costs		21,537	-	-	21,537	25,813
Total resources expended	5	£ 385,981	£ 259,299	£ 73,685	£ 718,965	£ 750,491
Net income/(expenditure) for the year before transfers	3	86,147	(46,193)	29,745	69,699	(126,744)
Transfers between funds		(6,774)	(480)	7,254	-	-
Net incoming/(outgoing) resources before other recognised gains		79,373	(46,673)	36,999	69,699	(126,744)
Other recognised gains						
Unrealised		-	-	504	504	585
NET MOVEMENT IN FUNDS		79,373	(46,673)	37,503	70,203	(126,159)
Balances brought forward at 1 January 2010		90,090	273,611	105,181	468,882	595,041
Balances carried forward at 31 December 2010		£ 169,463	£ 226,938	£ 142,684	£ 539,085	£ 468,882

The notes on pages 15 to 25 form part of these financial statements.

Incoming resources and net movement in funds derive wholly from continuing operations.

**THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED AND GUILD BALANCE SHEET**

AS AT 31 DECEMBER 2010

Company number: 3447631

	Note	Group		Guild	
		2010 £	2009 £	2010 £	2009 £
FIXED ASSETS					
Tangible fixed assets	11	92,506	93,719	73,963	73,117
Investment in subsidiary Investments	12	-	-	2	2
		7,529	7,025	7,529	7,025
		<u>100,035</u>	<u>100,744</u>	<u>81,494</u>	<u>80,144</u>
CURRENT ASSETS					
Stocks		26,266	21,386	-	1,106
Debtors	13	59,185	51,493	52,562	88,376
Cash at bank and in hand		569,586	467,573	540,639	439,933
		<u>655,037</u>	<u>540,452</u>	<u>593,201</u>	<u>529,415</u>
CREDITORS: amounts falling due within one year					
Income in advance	14	160,824	85,929	109,417	85,929
Creditors and accruals	15	33,288	61,385	24,239	48,729
		<u>194,112</u>	<u>147,314</u>	<u>133,656</u>	<u>134,658</u>
NET CURRENT ASSETS					
		<u>460,925</u>	<u>393,138</u>	<u>459,545</u>	<u>394,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		560,960	493,882	541,039	474,901
CREDITORS: amounts falling due after more than one year					
	16	21,875	25,000	21,875	25,000
TOTAL NET ASSETS					
		<u>£ 539,085</u>	<u>£ 468,882</u>	<u>£ 519,164</u>	<u>£ 449,901</u>
REPRESENTED BY					
Unrestricted funds	17	169,463	90,090	149,542	71,109
Designated funds	17	226,938	273,611	226,938	273,611
Restricted funds	18	142,684	105,181	142,684	105,181
		<u>£ 539,085</u>	<u>£ 468,882</u>	<u>£ 519,164</u>	<u>£ 449,901</u>

The accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime under the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

*Approved by the Trustees on 8 April 2011
and signed on their behalf by:*

Director

Director

The notes on pages 15 to 25 form part of these financial statements.

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 accounts have been prepared under the historical cost convention, with the exception that investments are included at market value, and in accordance with;

- i) the Financial Reporting Standard for Smaller Entities (effective April 2008);
- ii) the provisions applicable to companies subject to the small companies regime under the Companies Act 2006; and
- iii) the Statement of Recommended Practice: "Accounting and Reporting by Charities" (issued in March 2005).

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 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company 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 sponsorship 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 charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant.
- Membership subscriptions are included in the Statement of Financial Activities for the period to which they relate, subscriptions 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 based on the rate of subscriptions at the year end.
- 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 Donations

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

Resources expended

Charitable expenditure comprises those costs incurred by the charitable company 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 charitable company 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.

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2 ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged at:

Computer Equipment	33.3% straight line
Office Equipment	20% straight line
Quilt Museum, Gallery and Shop	10% straight line

No depreciation is charged in the year of acquisition.

Grants in respect of expenditure on tangible fixed assets are treated as either fund income or deferred income. The grant is released to the Statement of Financial Activities over the expected useful economic life of the related asset in line with the depreciation policy.

The Guild owns a number of Heritage and Contemporary 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.

Fixed asset investments

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

Operating leases

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

Stocks

Stocks of goods for resale held at the year end are stated at the lower of cost and net realisable value.

Pension costs

The charitable company operates a defined benefit pension scheme. 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 trustees are free to use for any purpose in furtherance of the charitable objects. Within unrestricted funds are designated income funds which the trustees set up to identify and separate the income and expenditure relating to specific projects.

3 NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

The surplus/(deficit) for the year is stated after charging:

	2010	2009
	£	£
Depreciation	12,222	10,144
Grants released	(356)	(6,457)
Auditors' remuneration	5,000	6,000
Other fees paid to auditors	6,391	10,300
	<u>12,222</u>	<u>10,144</u>

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	funds	2010	2009
	£	£	£	£	£
Grants					
AIM Grant	-	-	2,683	2,683	2,000
Heritage Lottery Fund	-	-	77,400	77,400	-
Yorventure Grant	-	-	6,575	6,575	-
MLA Oral History Grant	-	-	1,075	1,075	-
MLA 2012 Ready Grant	-	-	9,841	9,841	-
Clydesdale Bank Grant	-	-	500	500	-
	£ -	£ -	£ 98,074	£ 98,074	£ 2,000
	£ -	£ -	£ 98,074	£ 98,074	£ 2,000
Other Activities					
British Quilt Studies Group	-	10,746	-	10,746	15,575
Conference	32,471	-	-	32,471	24,612
Contemporary Quilt Group	-	18,229	-	18,229	13,753
Judging course	-	-	-	-	525
Magazine advertisements	9,684	-	-	9,684	10,289
Marketing	18,098	-	-	18,098	19,820
Miniature Quilt Group	-	1,284	-	1,284	2,747
Admissions	-	61,556	-	61,556	54,096
Other Museum/Collection receipts	-	2,407	-	2,407	9,713
Outreach	-	-	-	-	161
Quilt Museum and Gallery	-	-	-	-	7,367
Regional activities	-	113,507	-	113,507	129,166
Traditional Quilt Group	-	4,801	-	4,801	5,729
	£ 60,253	£ 212,530	£ -	£ 272,783	£ 293,553
	£ 60,253	£ 212,530	£ -	£ 272,783	£ 293,553

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5 TOTAL RESOURCES EXPENDED

	Basis of Allocation	Cost of generating funds £	Unrestricted £	Charitable activities Designated £	Restricted £	Governance Costs £	Total 2010 £	Total 2009 £
Costs directly allocated to activities								
AIM grant	Direct	-	-	-	3,183	-	3,183	1,500
Arts Council - New	Direct	-	-	-	-	-	-	2,404
British Quilt Studies Group	Direct	-	-	9,714	-	-	9,714	14,704
Commercial Manager	Direct	-	-	-	-	-	-	13,819
Conference	Direct	-	28,772	-	-	-	28,772	24,294
Contemporary Quilt Group	Direct	-	-	14,667	-	-	14,667	11,523
Heritage Lottery	Direct	-	-	-	51,486	-	51,486	82,330
Marketing - Festival of Quilts	Direct	-	13,254	-	-	-	13,254	11,313
Marketing - International	Direct	-	446	-	-	-	446	163
Marketing - Public Relations	Direct	-	4,269	-	-	-	4,269	1,242
Marketing - Retreats and Workshops	Direct	-	1,621	-	-	-	1,621	-
Membership - Quilter	Direct	-	57,535	-	-	-	57,535	60,759
Membership - Regional Organisation	Direct	-	2,017	-	-	-	2,017	2,246
Membership - Regional Training	Direct	-	4,851	-	-	-	4,851	202
Membership - Textile Perspectives	Direct	-	3,398	-	-	-	3,398	3,452
Miniature Quilt Group	Direct	-	-	1,145	-	-	1,145	3,205
Museum/Collection Care	Direct	-	-	228	-	-	228	9,369
Outreach - Education	Direct	-	613	100	-	-	713	6,686
Outreach - Education Judging Course	Direct	-	185	-	-	-	185	450
Outreach - National Exhibition	Direct	-	395	-	-	-	395	14
QGBI - Education and Travel Scholarship	Direct	-	-	-	2,000	-	2,000	3,000
Quilt Museum and Gallery	Direct	-	-	72,708	10,916	-	83,624	135,704
Quilt Museum Shop	Direct	69,693	-	-	-	-	69,693	42,520
Regional Activities	Direct	-	-	115,638	-	-	115,638	134,807
Sue Belton Award	Direct	-	-	-	-	-	-	600
Traditional Quilt Group	Direct	-	-	4,449	-	-	4,449	4,765
Other cost of sales	Direct	7,365	-	-	-	-	7,365	2,595
		£ 77,058	£ 117,356	£ 218,649	£ 67,585	£ -	£ 480,648	£ 573,666

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5 TOTAL RESOURCES EXPENDED (continued)

	Basis of Allocation	Cost of generating funds £	Unrestricted £	Charitable activities Designated £	Restricted £	Governance Costs £	Total 2010 £	Total 2009 £
Support costs allocated to activities								
Governance - AGM	Direct	-	-	-	-	4,240	4,240	2,877
Governance - General	Direct	-	-	-	-	5,906	5,906	6,636
Depreciation of equipment	Direct	-	1,239	-	-	-	1,239	263
Depreciation of Quilt Museum and Gallery	Direct	-	4,883	-	6,100	-	10,983	9,881
Quilt Museum and Gallery grant release	Direct	-	(356)	-	-	-	(356)	(6,457)
Administrative salaries and pension	Direct	-	77,078	-	-	-	77,078	49,800
Employer's National Insurance	Direct	-	6,918	-	-	-	6,918	4,707
Rents and associated services	Floor area	-	14,202	21,303	-	-	35,505	9,372
Rates	Floor area	-	1,002	1,504	-	-	2,506	788
Light and heat	Floor area	-	2,734	4,199	-	-	6,933	1,043
Repairs	Floor area	-	157	236	-	-	393	-
Insurance	Floor area	-	2,991	4,486	-	-	7,477	3,461
Computer maintenance	Direct	-	6,154	-	-	-	6,154	2,308
Equipment hire maintenance	Floor area	-	2,371	3,556	-	-	5,927	5,049
Telephone and internet	Floor area	-	1,593	2,390	-	-	3,983	3,750
Advertising	Direct	-	633	-	-	-	633	-
Printing, stationery and postage	Direct	-	8,465	-	-	-	8,465	18,087
Audit and accountancy charges	Direct	-	-	-	-	11,391	11,391	16,300
Professional fees	Direct	-	24,535	-	-	-	24,535	35,931
Bank charges	Direct	-	3,317	-	-	-	3,317	2,681
Travel and subsistence	Direct	-	2,110	-	-	-	2,110	-
Sundries	Floor area	-	10,004	2,976	-	-	12,980	10,348
		£ -	£ 170,030	£ 40,650	£ 6,100	£ 21,537	£ 238,317	£ 176,825
Total resources expended		£ 77,058	£ 287,386	£ 259,299	£ 73,685	£ 21,537	£ 718,965	£ 750,491

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 charitable company 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

Summary profit and loss account	2010	2009
	£	£
Turnover	117,958	86,255
Cost of sales and administrative expenses	(112,709)	(81,947)
Interest receivable	-	57
	<hr/>	<hr/>
Profit for the financial year	5,249	4,365
Gift Aid donation to parent company	(4,308)	(23,961)
Retained profit brought forward	18,980	38,576
	<hr/>	<hr/>
Retained profit carried forward	£ 19,921	£ 18,980
	<hr/> <hr/>	<hr/> <hr/>
The assets and liabilities of the subsidiary were:		
Fixed assets	18,543	20,602
Current assets	97,327	59,970
Creditors: amounts falling due within one year	(95,947)	(61,590)
	<hr/>	<hr/>
Total net assets	£ 19,923	£ 18,982
	<hr/> <hr/>	<hr/> <hr/>
Aggregate share capital and reserves	£ 19,923	£ 18,982
	<hr/> <hr/>	<hr/> <hr/>

7 TAXATION

As a charity, The Quilters' Guild of the British Isles is exempt from tax on income falling within sections 466 to 493 of the Corporation Tax Act 2010. No tax charges have arisen in the charitable company.

8 STAFF COSTS AND NUMBER

Staff costs were as follows:	2010	2009
	£	£
Salaries and wages	179,165	138,651
Social security costs	15,682	12,468
Pension costs	1,750	-
	<hr/>	<hr/>
	£ 196,597	£ 151,119
	<hr/> <hr/>	<hr/> <hr/>

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

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

	2010	2009
Charity activities	4	3
Cost of generating funds	2	2
Administration and support	3	2
	<hr/>	<hr/>
	9	7
	<hr/> <hr/>	<hr/> <hr/>

9 TRUSTEE REMUNERATION AND RELATED PARTIES

No directors or council members received any remuneration during the year. Reimbursements totalling £8,075 (2009 - £5,786) were made to directors and council members for their expenses during the year.

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

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

10 PENSION COSTS

The charitable company operates and makes contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge for the year was £1,750 (2009 - £nil).

11 TANGIBLE FIXED ASSETS

Group	Computer Equipment £	Office Equipment £	Quilt Museum, Gallery and Shop £	Total £
Cost:				
At 1 January 2010	7,963	6,969	109,819	124,751
Additions	656	855	9,498	11,009
Disposals	(5,246)	(5,305)	-	(10,551)
At 31 December 2010	3,373	2,519	119,317	125,209
Depreciation:				
At 1 January 2010	5,246	5,567	20,219	31,032
Charge for the year	906	333	10,983	12,222
Eliminated on disposals	(5,246)	(5,305)	-	(10,551)
At 31 December 2010	906	595	31,202	32,703
Net book values:				
31 December 2010	£ 2,467	£ 1,924	£ 88,115	£ 92,506
31 December 2009	£ 2,717	£ 1,402	£ 89,600	£ 93,719
Guild	Computer Equipment £	Office Equipment £	Quilt Museum and Gallery £	Total £
Cost:				
At 1 January 2010	7,963	6,969	87,928	102,860
Additions	656	724	9,498	10,878
Disposals	(5,246)	(5,305)	-	(10,551)
At 31 December 2010	3,373	2,388	97,426	103,187
Depreciation:				
At 1 January 2010	5,246	5,567	18,930	29,743
Charge for the year	906	333	8,793	10,032
Eliminated on disposals	(5,246)	(5,305)	-	(10,551)
At 31 December 2010	906	595	27,723	29,224
Net book values:				
31 December 2010	£ 2,467	£ 1,793	£ 69,703	£ 73,963
31 December 2009	£ 2,717	£ 1,402	£ 68,998	£ 73,117

Included within the group net book value is £58,122 (2009 - £54,906) relating to assets purchased from restricted funds.

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
12 INVESTMENTS - Group and Guild		
M & G Charifund Income Units		
Cost at 1 January 2010 and 31 December 2010	£ 5,000	£ 5,000
Market value at 31 December 2010	£ 7,529	£ 7,025

	Group		Guild	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	4,749	3,556	50	305
Prepayments and accrued income	54,436	28,887	17,021	20,087
Other debtors	-	19,050	-	19,050
Amounts due from subsidiary undertaking	-	-	35,491	48,934
	£ 59,185	£ 51,493	£ 52,562	£ 88,376

14 INCOME IN ADVANCE

Income in advance comprises deferred membership subscription income and monies received in relation to the Conference and other future residential events.

	Group £	Guild £
Balance at 1 January 2010	85,929	85,929
Amount released to incoming resources	(85,929)	(85,929)
Amount deferred in the year	160,824	109,417
	£ 160,824	£ 109,417

15 CREDITORS AND ACCRUALS falling due within one year

	Group		Guild	
	2010 £	2009 £	2010 £	2009 £
Trade creditors	2,288	22,038	1,763	15,825
Other taxes and social security costs	11,025	6,614	3,750	3,648
Other creditors	3,125	-	3,125	-
Accruals and deferred income	16,850	32,733	15,601	29,256
	£ 33,288	£ 61,385	£ 24,239	£ 48,729

16 CREDITORS falling due after more than one year

	Group		Guild	
	2010 £	2009 £	2010 £	2009 £
Other Creditors	£ 21,875	£ 25,000	£ 21,875	£ 25,000

Included in other creditors is £9,375 (2009 - £12,500) payable after more than five years by instalment.

THE QUILTERS' GUILD OF THE BRITISH ISLES
CONSOLIDATED NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17 MOVEMENTS IN UNRESTRICTED FUNDS

Group	As at 1 January 2010 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2010 £
General Reserves					
General Reserves	£ 90,090	£ 472,128	£ (385,981)	£ (6,774)	£ 169,463
Designated Reserves					
St Anthony's Fund	143,301	63,819	(113,358)	-	93,762
Life Membership Fund	6,817	480	-	(1,480)	5,817
Founder Members Bursary Fund	2,320	-	(100)	-	2,220
British Quilt Studies Group Fund	12,768	10,746	(9,714)	-	13,800
Contemporary Quilt Group Fund	10,284	18,229	(14,667)	-	13,846
Miniature Quilt Group Fund	1,356	1,284	(1,145)	-	1,495
Regional Funds (General)	89,737	113,507	(115,638)	-	87,606
Traditional Quilt Group Fund	3,322	4,801	(4,449)	-	3,674
Collections Management Fund	3,706	240	(228)	1,000	4,718
	<u>£ 273,611</u>	<u>£ 213,106</u>	<u>£ (259,299)</u>	<u>£ (480)</u>	<u>£ 226,938</u>
Total Group Unrestricted Funds	<u>£ 363,701</u>	<u>£ 685,234</u>	<u>£ (645,280)</u>	<u>£ (7,254)</u>	<u>£ 396,401</u>
Guild					
General Reserves					
General Reserves	£ 71,109	£ 358,478	£ (273,271)	£ (6,774)	£ 149,542
Designated Reserves					
St Anthony's Fund	143,301	63,819	(113,358)	-	93,762
Life Membership Fund	6,817	480	-	(1,480)	5,817
Founder Members Bursary Fund	2,320	-	(100)	-	2,220
British Quilt Studies Group Fund	12,768	10,746	(9,714)	-	13,800
Contemporary Quilt Group Fund	10,284	18,229	(14,667)	-	13,846
Miniature Quilt Group Fund	1,356	1,284	(1,145)	-	1,495
Regional Funds (General)	89,737	113,507	(115,638)	-	87,606
Traditional Quilt Group Fund	3,322	4,801	(4,449)	-	3,674
Collections Management Fund	3,706	240	(228)	1,000	4,718
	<u>£ 273,611</u>	<u>£ 213,106</u>	<u>£ (259,299)</u>	<u>£ (480)</u>	<u>£ 226,938</u>
Total Guild Unrestricted Funds	<u>£ 344,720</u>	<u>£ 571,584</u>	<u>£ (532,570)</u>	<u>£ (7,254)</u>	<u>£ 376,480</u>

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.
- Collections Management Fund - Contributions towards the acquisition and conservation of quilts.

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18 MOVEMENTS IN RESTRICTED FUNDS

Group and Guild	As at 1 January 2010 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31 December 2010 £
Grant Funds					
Heritage Lottery Fund	8,495	77,400	(51,690)	4,254	38,459
AIM Grant	500	2,683	(3,183)	-	-
Yorventure Grant	-	6,575	-	-	6,575
MLA Oral History Grant	-	1,075	(1,075)	-	-
MLA 2012 Ready Grant	-	9,841	(9,841)	-	-
Clydesdale Bank Grant	-	500	-	-	500
	£ 8,995	£ 98,074	£ (65,789)	£ 4,254	£ 45,534
Legacy Funds					
Sue Belton	9,008	888	-	-	9,896
The Barbara Bailey Fund	53,067	-	(5,896)	-	47,171
Sue Ridgewell	870	5	-	-	875
	£ 62,945	£ 893	£ (5,896)	£ -	£ 57,942
Donation Funds					
QGBI Education and Travel Scholarship Fund	33,241	175	(2,000)	-	31,416
The Chair Fund	-	2,792	-	-	2,792
Young Quilters Fund	-	2,000	-	3,000	5,000
	£ 33,241	£ 4,967	£ (2,000)	£ 3,000	£ 39,208
Total Restricted Funds	£ 105,181	£ 103,934	£ (73,685)	£ 7,254	£ 142,684

Purposes of Grant Funds

Heritage Lottery Fund	- Grant towards an education and volunteering programme.
AIM Grant	- Grant towards the conservation of the Mary Prince Coverlet.
Yorventure Grant	- Grant towards the cost of a display cabinet purchased during 2010.
MLA Oral History Grant	- Grant towards the purchase of audio equipment.
MLA 2012 Ready Grant	- Grant to cover the costs of audience research work.
Clydesdale Bank Grant	- Grant towards the cost of Investing in Volunteers accreditation.

Purposes of Legacy Funds

Sue Belton	- Contribution for awards for education.
The Barbara Bailey Fund	- Contribution towards the purchase of a permanent home for the Guild and running of the resource centre. This figure is represented by fixed assets.
Sue Ridgewell	- Fund for competitions for Guild members.

Purposes of Donation Funds

QGBI Education and Travel Scholarship	- Bursaries to fulfil the Guild's educational remit for members and students.
The Chair Fund	- Donations towards the purchase of chairs.
Young Quilters Fund	- Donations towards the running of projects for Young Quilters.

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19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted reserves £	Grant Funds £	Legacy Funds £	Donation Funds £	Total Funds £
Tangible fixed assets	34,384	8,974	47,171	1,977	92,506
Investments	-	-	7,529	-	7,529
Current assets	578,004	36,560	3,242	37,231	655,037
Current liabilities	(194,112)	-	-	-	(194,112)
Long term liabilities	(21,875)	-	-	-	(21,875)
	£ 396,401	£ 45,534	£ 57,942	£ 39,208	£ 539,085

Guild	Unrestricted reserves £	Grant Funds £	Legacy Funds £	Donation Funds £	Total Funds £
Tangible fixed assets	15,841	8,974	47,171	1,977	73,963
Investments	2	-	7,529	-	7,531
Current assets	516,168	36,560	3,242	37,231	593,201
Current liabilities	(133,656)	-	-	-	(133,656)
Long term liabilities	(21,875)	-	-	-	(21,875)
	£ 376,480	£ 45,534	£ 57,942	£ 39,208	£ 519,164

20 OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Rentals payable in the next year under non-cancellable operating leases				
Leases which terminate:				
In less than one year	-	2,644	-	-
In more than one year but less than five years	-	-	5,674	5,517
In more than five years	39,600	38,775	-	-