



# **THE EMBROIDERERS' GUILD AND SUBSIDIARY**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st AUGUST 2011**

Company Registration No. 00294310 (England and Wales)  
Registered Charity No. 234239 (England)  
Registered Charity Number SC040142 (Scotland)

## **THE EMBROIDERERS' GUILD**

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The Chairman and Executive Committee present their report and the financial statements of The Embroiderers' Guild (the Guild) and the Guild's wholly owned subsidiary, EG Enterprises Limited, for the year ended 31st August 2011. The financial statements incorporate the results of the Guild's regions and branches.

### **REFERENCE AND ADMINISTRATION DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS**

|                            |   |
|----------------------------|---|
| <b>President</b>           | Vacant  |
| <b>Chairman</b>            | Christine Poole (elected Acting Chairman 31st August 2011)<br>Pauline Hannon (elected 2nd April 2011, resigned 31st August 2011)<br>Anthea Godfrey (retired 2nd April 2011)   |
| <b>Vice Chairman</b>       | Christine Poole   |
| <b>Honorary Treasurer</b>  | Neil Hitchens   |
| <b>Trustees</b>            | Muriel Campbell<br>Gillian Drury (elected 14 <sup>th</sup> April 2011)<br>Ann Hampton (elected 14th April 2011)<br>Heather King<br>Jacqueline Rayer (to 14th April 2011)<br>Gillian Riordan (elected 14th April 2011) |
| <b>Chief Executive</b>     | Terry Murphy (Interim CEO from 16th September 2010;<br>CEO from 10th December 2010)<br>Jane Sweet (resigned 10 December 2010)   |
| <b>Company Secretary</b>   | David Wilson (appointed 10 December 2010)   |
| <b>Registered office</b>   | From 1st February 2011<br>1 Kings Road<br>Walton-on-Thames<br>Surrey KT12 2RA<br><br>To 31st January 2011<br>Hampton Court Palace<br>Surrey KT8 9AU   |
| <b>Company Number</b>      | 00294310 (England & Wales)  |
| <b>Charity Numbers</b>     | 234239 (England & Wales)<br>SC040142 (Scotland)   |
| <b>Bankers</b>             | Unity Trust Bank plc<br>Nine Brindley Place<br>Birmingham B1 2HB  |
| <b>Auditors</b>            | Knox Cropper<br>Chartered Accountants<br>8/9 Well Court<br>London EC4M 9DN  |
| <b>Investment Advisers</b> | Cazenove Fund Management Limited<br>12 Moorgate<br>London EC2R 6DA  |

# **THE EMBROIDERERS' GUILD**

## **REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2011**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Embroiderers' Guild (the Guild) is a registered Charity (No. 234239) and a company limited by guarantee (No. 00294310) that does not have share capital. The Guild is also a registered Charity in Scotland registered by the Office of the Scottish Charity Regulator (No. SC040142).

#### **Organisation**

The Executive Committee, which meets on average six times a year, governs the Charity. The Executive Committee comprises the Officers of the Guild (Chairman, Vice-Chairman, and Honorary Treasurer) who are elected by the membership, three trustees who are elected from the Council of Regional Chairmen and others who may be co-opted at the discretion of the Executive Committee. The members of the Executive Committee who served during the year and to date are listed on page 1. At the Executive Committee meetings, the Trustees agree the broad strategy and areas of activity for the Charity, including fundraising, specific projects, investments, reserves, risk management and performance. The Trustees now send a summary of discussions and outcomes to members, following each Executive Committee meeting. The day-to-day management of the Charity is delegated by the Trustees to the Chief Executive Officer (CEO) of the Guild.

The Charity has set up a finance committee which includes the Honorary Treasurer, Chief Finance Officer, a nominated financially experienced Trustee and the CEO. Other Trustees may attend from time to time. The role of the finance committee is to scrutinise budgets, review management accounts and seek clarity where necessary, consider audit recommendations, review the risk register, review employment contracts and scrutinise financial controls.

All the Executive Committee members are Trustees and Directors of the Guild (for Companies Act purposes), and some serve as Directors of EG Enterprises Ltd. The Guild owns a subsidiary company, EG Enterprises Limited, which carries out the trading activities of the Guild. Taxable profits are paid by gift aid to the Guild, thereby avoiding any liability to corporation tax.

The Council of the Guild, which includes the Guild Chairman, the Guild Vice-Chairman, the Young Embroiderers' Chairman, and the Chairmen of the 11 regions of the Guild represent the interests of the Guild's regions and branches and meets two to three times per year, to deal with membership issues.

The communication chain is from the centre to the regions (via the Council), to the branches (via the regional AGMs, members' magazine, regional newsletters and the website) and from the branches to the branch members. Members who subscribe directly to the Guild, whether branch members or not, receive communications direct from headquarters.

#### **Risk Management**

The Executive Committee has examined the major strategic, business and operational risks facing the Charity in more depth than in previous years, using industry standard assessments, and confirm that the organisation has an action plan to enable regular reports to be produced, so that the necessary steps can be taken to mitigate and minimise these risks.

#### **Trustees Recruitment, Induction and Training**

New Trustees are provided with an induction pack which includes minutes, accounts, memorandum and articles of association and the risk assessment. Trustees are very conscious of the obligations of corporate governance rules and these are regularly discussed at Executive Committee meetings. From time to time,

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Trustees are reminded of their duties by the circulation of Charity Commission guidelines. Trustees are also encouraged to attend training courses appropriate to the Charity.

The Guild has defined and published the role of the Officers of the Guild. The Guild has also revised and rewritten the responsibilities of Trustees and these have been sent to members. The revisions closely reflect Charity Commission and National Council for Voluntary Organisations (NCVO) guidelines and recommendations.

The Trustees have reviewed their own competencies through a skills audit and have put members at the heart of immediate strategic decisions.

#### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

**The principal objectives of the Charity as defined in the Articles of Association are to:**

- promote and encourage the art of embroidery and related crafts;
- to encourage the creation of fine articles incorporating the use of, or associated with, embroidery;
- educate the public in the history and art of embroidery;
- undertake or support research in embroidery;
- collect, document, preserve, exhibit and interpret examples of fine embroidery, which are of historical or educational merit, and to make such articles available to the public.

**The Guild aims to:**

- nurture an enjoyment of embroidery and enable anyone to participate at any level, whether they are young people learning to stitch, a professional artist, or someone who simply appreciates textiles;
- change perceptions of the Guild and embroidery by demonstrating how it is relevant to the 21<sup>st</sup> century;
- be recognised as the national voice for embroidery in the UK.

**To enable the Guild to achieve its aims and objectives, it will:**

- engage in and fully embrace new technology and social media to attract and maintain the interest of children, teenagers, students and career adults;
- make available locally facilitated opportunities for people who wish to learn embroidery in a social group environment;
- provide facilities for those who cannot form or participate in local groups, or who prefer or need to fit embroidery into busy lives at times and in ways that work best for them.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, when reviewing the aims and objectives of the Charity and in planning future activities.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Membership**

At the end of August 2011, the Guild had 9,217 adult members. These comprised Life Members, Individual Members and members affiliated to one or more of 195 branches. There were also 654 young members, mainly affiliated to 57 groups.

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## **REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2011**

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### **Branches**

Members join a local branch because they have a passion for embroidery and textile art and wish to meet people with similar interests.

Most branches have a monthly meeting, some meet fortnightly, with a guest speaker, who gives a presentation on a diverse range of subjects. In addition, branches run workshops, organise outings, attend conferences, visit exhibitions and museums, and take part in a wide range of community projects. Many branches print a newsletter and have a small library of specialist books and magazines which are available to members for interest or to improve their craft skills. They also keep members in touch with the work and developments of the Guild.

The Guild has 66 Folios which usually comprise examples of work or designs from a region of the world or an era. Many were in need of refurbishment or replenishing. About 30 branches and two regional committees have taken part in a programme to enable the folios to be lent to branches in the future, some branches and regions taking more than one folio.

Branches encourage members to take part in local, regional and national embroidery initiatives that often lead to public exhibitions of work. In particular, branch members have been contributing to a project to create a set of postcard-size embroidered images of the life and times of each nation participating in the 2012 London Olympics. These will be exhibited at locations throughout the UK in 2012.

A few branches have twinning arrangements with other UK branches or branches of Guilds overseas, notably Australia and the USA. The benefits of twinning are the exchange of ideas, learning from different countries and cultures, and promoting the Guild globally.

Many branches enjoy trips to widen their knowledge of embroidery or for inspiration for their own stitched works. For example, there have been trips to Reading Museum to learn more about the full size replica of the Bayeux Tapestry; Stirling Castle to see the refurbishment of the Royal Apartments; Wemyss School of Needlework to see the collection of garments and linens and learn about the history of the School and to a variety of National Trust properties.

Branches also take part in a wide range of community projects. Their contribution creates and extends the awareness of embroidery and textile art, helps other organisations achieve their aims and brings pleasure to many who see the fine examples of work created by members who participate in these projects. Community projects included exhibitions, demonstrations, workshops, restoration and specially commissioned items for and with organisations as diverse as the Drapers' Company, Wildlife Trust, Samaritans, Mountain Rescue, The Court of the Lord Lyon of Scotland and MacMillan Nurses.

Members' work has been exhibited in support of churches, flower shows, craft fairs, arts festivals, agricultural shows, and hospices. Some members participate in the Fine Cell prisons project. Members have drawn inspiration from other events and projects, for example the 'UN Year of the Forest'.

Members have also worked alongside teachers and lecturers in schools and colleges across the UK to support the art and craft aspect of the curriculum.

These activities help increase awareness and interest in embroidery that results in new memberships. They are a major contributor to achieving the charitable objects of the Embroiderers' Guild.

# **THE EMBROIDERERS' GUILD**

## **REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2011**

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### **Regions**

The branches are combined in 11 regions that cover the whole of the UK and Eire. Regions organise Regional days. These provide a variety of activities and interests and are usually well attended. Regional days were attended by either the Chairman of the Guild, a Trustee or the CEO, where members were given a report on the activities of the Guild and the main priorities for the future. The regions support their branches in many ways including administrative and financial advice and by arranging workshops and residential schools.

### **Annual General Meeting**

The location moves around the UK and in 2011 the Annual General Meeting was held in Dundee. It was well attended. Members who attended the Annual General Meeting heard reports from the Chairman and Honorary Treasurer on the activities and financial performance of the Guild. Members had the opportunity to ask questions from the floor. These were answered by the Chairman, Honorary Treasurer or, at the invitation of the Chairman, the CEO. The programme of events organised around the formal meeting enabled members from all over the country to visit places of interest in and around Dundee, attend a civic reception, listen to presentations, attend workshops and meet others who share their passion for embroidery and textile art.

Preparations for the 2013 AGM, to be held in Cheltenham, are at an advanced stage.

### **Head Office**

The role of Head Office, Embroiderers' Guild House, situated in Walton-on-Thames, is to provide a range of services including compliance, IT and administration in support of members, branches and regions. The Head Office enables the Guild to achieve its charitable objects and promote embroidery and textile art nationally. The Head Office also manages the commercial interests of the Guild, principally its internationally distributed magazines, the book service to members and fundraising activities.

The Trustees recognise the substantial progress in the last twelve months made by the Head Office team. This has included achieving significant cost-savings, improving services, achieving operational efficiencies, stabilising and enhancing the IT capability, exercising due diligence, and equipping the Guild for growth and expansion of services.

### ***The Collection***

The Collection of about 11,000 artefacts is now held in two locations, Embroiderers' Guild House and, for items that are only needed from time-to-time, secure storage in Guildford. These changes have resulted in improved access to the 1500 items of most interest and lower storage costs for the collection as a whole.

The Guild has now established a permanent exhibition of over 100 items from the Collection. These are on display in the Beryl Dean Gallery at Embroiderers' Guild House. Members, their guests and friends, are welcome to visit during working hours and at other times by arrangement. Members from all over the country have visited Embroiderers' Guild House in the last 6 months. In addition, the Guild has welcomed members of other Guilds and groups from Australia, Canada, USA, South Africa and Singapore.

The Guild now has the capability to take exhibitions of items from the Collection out to members.

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REPORT OF THE EXECUTIVE COMMITTEE  
FOR THE YEAR ENDED 31 AUGUST 2011**

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***Library***

The Guild holds a collection of rare books on embroidery which are of interest to Guild members and are a useful source of reference. These have been re-housed in a dedicated area of Embroiderers' Guild House. Visiting members can browse books at their leisure.

***Research***

The Guild has a number of expert volunteers who give generously of their time, and are pleased to answer technical questions from members and non-members. The number of enquiries and requests for help has increased significantly in the last 12 months.

***City & Guilds***

The Guild has published a guide to organising, marketing and running Level 1 Hand and Machine Embroidery courses. This was to support branches wishing to run these courses for members and non members.

***Scholarships and Graduates***

The Guild continues to offer two scholarships a year and attended a number of graduate shows to select and later support 18 graduates in the launch of their careers at the Knitting & Stitching Shows.

***Annual Members' Challenge***

This national competition, based on the 'Visitors Book' from the Guild's Collection was launched in 2010. The standard of work was very high. The de Denne Competition for Young Embroiderers was also based on the 'Visitors Book'. It also attracted a number of highly creative entries. All the entries were exhibited at the Knitting & Stitching Shows in London and Harrogate.

***Young Embroiderers***

In June 2011, the Executive Committee approved a strategy for increasing and extending the support the Guild gives to young embroiderers and their groups. This included lifting the embargo on forming groups, a plan to extend CRB checks to England and Wales, a website dedicated to the needs of young people and those who teach and inspire them, and the provision of an E-Book library of projects, ideas, articles and advice.

**REVIEW OF FINANCIAL ACTIVITIES**

The Guild with the regions and branches and its subsidiary trading company EG Enterprises Limited, recorded a deficit of £54,935 (2010: £240,891 surplus).

The main sources of income of the Guild are members' subscriptions, donations and legacies, and investment income. In addition, these accounts include income from branches and regions, and income from magazine subscriptions and the sale of books in the trading company. Branches have continued to make a significant contribution to group turnover with income generated from classes, workshops and lectures, exhibitions and projects, outings, social events and meetings, registering significant increases in comparison with the previous year.

The overall loss of £54,935 is made up of a surplus of £11,976 from the branches and regions (note 17) and a surplus of £13,952 on the Guild restricted funds (note 16) and a deficit of £80,863 arising from principally exceptional costs financed by the Guild unrestricted funds.

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**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

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The deficit in the Guild Head Office books was caused by exceptional costs arising in 2011. These costs were:

- legal costs relating to the lease, employment issues and the previous CEO £24K
- unproductive staff costs including payments to the former CEO £40K
- an exceptional payment to maintain an obsolete computer system which had not been updated for many years £10K

These cost increases were augmented by reduced profitability of EG Enterprises with profits falling from £82,955 in 2010 to £45,498 in 2011. The main reasons for this decline in profitability were:

- a reduction in sponsorship income £15K
- a reduction in tours income £5K
- a reduction in advertising income £11K
- a reduction in profit in the bookshop £14K

These reductions are offset by an increase in magazine profit of £10K. In addition, the 2010 results were increased by a legacy of £162,535.

Note 19 discloses that the Guild's Chief Executive Officer is an independent contractor who invoiced the parent Charity £58K including VAT and the subsidiary company EG Enterprises £62K excluding VAT. The Trustees consider that these payments compare favourably to the salary package including pension and payments in lieu of £70K paid to the previous CEO, £41K paid to employed staff and £19K paid to contract staff that supported the previous CEO. All of these roles are now being carried out by the current CEO.

Under its Memorandum of Association, the Charity has the power to make investments as the Trustees see fit, subject to the jurisdiction of the Charity Commissioners. The Guild aims to obtain best growth and return for its investments through the scheme for charities operated by Cazenove Fund Management Limited.

### **Reserves Policy**

The Guild's policy is to continue developing sustainable sources of income and ensuring strict expenditure controls to provide secure financial stability for the future.

The Charity holds both restricted and unrestricted funds. These funds relate to a wide range of Guild activities and exist to cover future expenditure on these charitable activities.

These reserves are principally those of the Guild's regions and branches and, though substantial in total, the individual branches' and regions' reserves are typically modest and exist to provide some security.

The Guild's immediate priority is to eliminate the Head Office's unrestricted reserves deficit. Careful budgetary control has been introduced in 2010 and will continue to be applied. The balance of general reserves at Head Office at 31st August 2011 was £(102,522) (Note 15). However, five years ago in 2007, the general reserves were in deficit by £(392,393). The balance reduced to £(351,250) in 2008, £(238,135) in 2009, and £(21,659) in 2010. As a result of the exceptional items disclosed in the Review of Financial Activities the unrestricted deficit increased to £102,522 at 31 August 2011. The reduction in the deficit has principally been the result of a reduction in full and part time staff from 16 in 2007 to 7 in 2011, a large unrestricted legacy received in 2010 and the exercise of budgetary discipline over other costs. However, the reduction in staff has significantly affected the Guild's ability to provide services to members.

### **FUTURE DEVELOPMENTS**

The Guild will continue to introduce new services and benefits to members. These will include increased support for existing and new branches, better communications and data management, use of social media, achievement of significant operating efficiencies, and creating greater access to the Guild's resources and treasures wherever members may be located.

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### **REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2011**

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The Guild will be extending its engagement with young people by inspiring, nurturing and supporting interest and talent. The Guild will be embarking on a pilot programme to support teachers and other professionals who work with young people.

The Guild will bring an exhibition of the Collection to members in the regions including the North West, North East/Yorkshire, Scotland, Midlands and South West.

The Guild will continue to build relationships and make reciprocal arrangements with other guilds and groups in the UK and around the world. It will continue to seek to work with partner organisations to strengthen the Guild and benefit members.

The Guild will seek to attract the interest and demonstrate its relevance to a wider audience of adults.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law and the law applicable to charities in England and Wales requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Charitable Company and of its incoming resources and application of resources, including the income and expenditure of the Group, for that period. In preparing these financial statements, the Trustees are required to:-

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies:-

- so far as each Trustee is aware there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware;
- each Trustee has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

# THE EMBROIDERERS' GUILD

## REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2011

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### Acknowledgements

The continued commitment and achievements of all staff, volunteers, and members, in whatever capacity they are working to make this year's achievements possible, is gratefully acknowledged by the Trustees.

This report of the Executive Committee was approved on 5 January 2012 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Poole', written in a cursive style.

Christine Poole  
Acting Chairman

## **THE EMBROIDERERS' GUILD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EMBROIDERERS' GUILD**

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We have audited the financial statements of the Embroiderers' Guild for the year ended 31st August 2011 which comprise the Consolidated Statement of Financial Activities, including the Consolidated Income and Expenditure Account, the Consolidated and Parent Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Trustees and Auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out in the Report of the Executive Committee, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31st August 2011 and of the group's incoming resources and application of resources including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Annual Report for the financial year to which the financial statements are prepared is consistent with the financial statements.

## THE EMBROIDERERS' GUILD

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EMBROIDERERS' GUILD

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#### Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Duncan Jones.*  
*Knox Cropper*

Duncan Jones, Senior Statutory Auditor  
for and on behalf of Knox Cropper, Statutory Auditors

8/9 Well Court,  
London, EC4M 9DN

Date 5th January 2012

**THE EMBROIDERERS' GUILD**  
**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE**  
**ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2011**

|  | Notes        | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2011<br>£  | Total 2010<br>£  |
|--|--------------|-------------------------|-----------------------|------------------|------------------|
| <b>Incoming resources</b>                            |              |                         |                       |                  |                  |
| <i>Incoming resources from generated funds</i>       |              |                         |                       |                  |                  |
| Voluntary income                                     | 2            | 76,427                  | 55,107                | 131,534          | 275,843          |
| Commercial trading operations                        | 10           | 540,004                 | -                     | 540,004          | 562,324          |
| Investment income                                    | 3            | 2,785                   | 3,039                 | 5,824            | 4,925            |
| <i>Incoming resources from charitable activities</i> |              |                         |                       |                  |                  |
| Other branch income                                  | 17           | 611,859                 | -                     | 611,859          | 585,892          |
| Subscriptions  | 4            | 286,035                 | -                     | 286,035          | 291,271          |
| <b>Total incoming resources</b>                      |              | <b>1,517,110</b>        | <b>58,146</b>         | <b>1,575,256</b> | <b>1,720,255</b> |
| <b>Cost of generating funds</b>                      |              |                         |                       |                  |                  |
| Cost of generating voluntary income                  |              | 3,013                   | -                     | 3,013            | 20,215           |
| Membership expenses                                  |              | 127,668                 | -                     | 127,668          | 90,617           |
| Commercial trading operations                        | 10           | 494,755                 | -                     | 494,755          | 479,604          |
|  |              | 625,436                 | -                     | 625,436          | 590,436          |
| <b>Charitable activities</b>                         |              |                         |                       |                  |                  |
| Collection and curatorial                            |              | 55,014                  | 10,653                | 65,667           | 24,209           |
| Branch activities                                    | 17           | 733,347                 | 13,978                | 747,325          | 700,959          |
| Education  |              | 13,121                  | 28,643                | 41,764           | 47,378           |
| Exhibition and shows                                 |              | 47,259                  | -                     | 47,259           | 27,790           |
| Young Embroiderers                                   |              | 37,908                  | -                     | 37,908           | 33,403           |
|  |              | 886,649                 | 53,274                | 939,923          | 833,739          |
| <b>Governance costs</b>                              |              | <b>64,832</b>           | <b>-</b>              | <b>64,832</b>    | <b>55,189</b>    |
| <b>Total resources expended</b>                      | <b>5</b>     | <b>1,576,917</b>        | <b>53,274</b>         | <b>1,630,191</b> | <b>1,479,364</b> |
| <b>Net (expenditure)/income for the year</b>         |              | <b>(59,807)</b>         | <b>4,872</b>          | <b>(54,935)</b>  | <b>240,891</b>   |
| Unrealised (losses)/gains on investment assets       | 9            | -                       | (1,403)               | (1,403)          | 1,440            |
| <b>Net movement in funds for the year</b>            |              | <b>(59,807)</b>         | <b>3,469</b>          | <b>(56,338)</b>  | <b>242,331</b>   |
| Fund balances at 1 September 2010                    |              | 726,416                 | 158,004               | 884,420          | 642,089          |
| <b>Fund balances 31 August 2011</b>                  | <b>15,16</b> | <b>£666,609</b>         | <b>£161,473</b>       | <b>£828,082</b>  | <b>£884,420</b>  |

Total unrestricted branch income and expenditure, amounted to £754,403 and £733,347 respectively. For accounts disclosure purposes, the income from branch activities excludes donations, subscriptions and bank interest received, which are accounted for under these headings. Subscriptions paid by branches to head office are eliminated on consolidation.

The parent company has taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not produced its own income and expenditure account. The parent company's deficit for the year amounted to £54,935 (2010: £240,446 surplus).

The results for the year are all derived from continuing activities. There are no gains or losses other than those disclosed above.

**THE EMBROIDERERS' GUILD**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2011**

|   | Notes | 2011             |                 | 2010             |                  |
|---|-------|------------------|-----------------|------------------|------------------|
|   |       | Group<br>£       | Parent<br>£     | Group<br>£       | Parent<br>£      |
| <b>Fixed assets</b>                                     |       |                  |                 |                  |                  |
| Tangible assets   | 8(a)  | 18,467           | 17,260          | 16,762           | 16,762           |
| Heritage assets   | 8(b)  | 10,000           | 10,000          | 10,000           | 10,000           |
| Listed Investments                                      | 9     | 54,207           | 54,207          | 55,610           | 55,610           |
| Investment in subsidiary company                        | 10    | -                | 100             | -                | 100              |
|   |       | <u>82,674</u>    | <u>81,567</u>   | <u>82,372</u>    | <u>82,472</u>    |
| <b>Current assets</b>                                   |       |                  |                 |                  |                  |
| Stocks  | 11    | 5,855            | 2,355           | 23,107           | 2,296            |
| Debtors   | 12    | 171,560          | 96,545          | 106,811          | 95,237           |
| Cash at bank and in hand                                |       | 879,290          | 833,036         | 1,083,773        | 959,534          |
|   |       | <u>1,056,705</u> | <u>931,936</u>  | <u>1,213,691</u> | <u>1,057,067</u> |
| Creditors: Amounts falling due within one year          | 13    | (271,320)        | (145,889)       | (313,443)        | (157,364)        |
| <b>Net current assets</b>                               |       | <u>785,385</u>   | <u>786,047</u>  | <u>900,248</u>   | <u>899,703</u>   |
| <b>Total assets less current liabilities</b>            |       | <u>868,059</u>   | <u>867,614</u>  | <u>982,620</u>   | <u>982,175</u>   |
| Creditors: Amounts falling due after more than one year | 14    | (39,977)         | (39,977)        | (98,200)         | (98,200)         |
| <b>Net assets</b>                                       |       | <u>£828,082</u>  | <u>£827,637</u> | <u>£884,420</u>  | <u>£883,975</u>  |
| Capital and reserves                                    |       |                  |                 |                  |                  |
| Accumulated funds                                       |       |                  |                 |                  |                  |
| Unrestricted  | 15    | 666,609          | 666,164         | 726,416          | 725,971          |
| Restricted  | 16    | 161,473          | 161,473         | 158,004          | 158,004          |
|   | 18    | <u>£828,082</u>  | <u>£827,637</u> | <u>£884,420</u>  | <u>£883,975</u>  |

The financial statements were approved by the Executive Committee on 5 January 2012 and signed on its behalf by:



**Christine Poole**  
**Acting Chairman**



**Neil Hitchens**  
**Honorary Treasurer**

The notes on pages 14-22 form part of the financial statements.

Company Number 00294310 Charity Number 234239 (England) Charity Number SC040142 (Scotland)

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

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**1 Accounting policies**

**1.1 Accounting basis and standards**

The financial statements have been prepared under the historical cost convention, adjusted for the revaluation of investments which are stated at market value, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities revised in March 2005 (SORP 2005) and applicable accounting standards. The Group has taken advantage of the exemption available in FRS1 and not disclosed a cash flow statement on the grounds that it is a small group.

**1.2 Group financial statements**

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary E G Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself, the Charity having taken advantage of the exemptions afforded by the Companies Act 2006 and paragraph 397 of SORP 2005.

**1.3 Heritage assets**

The Guild maintains a collection of embroidery and related items. This collection of approximately 11,000 artefacts has been built up over many years.

The original cost of individual items acquired historically is not available. Many items have been donated. The nature of the collection means that a sufficiently reliable method of valuation for accounting purposes is not available for items acquired prior to 1st August 2007. Items acquired subsequently are disclosed at cost and, as they are appreciating assets, which are maintained to a high standard, they are not depreciated.

**1.4 Other tangible fixed assets**

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated at the following annual rates on the bases shown in order to write off each asset over its estimated useful life:

|   |                           |
|---|---------------------------|
| Computer equipment                          | 25% of cost               |
| Furniture, fittings and equipment           | 15% of written down value |
| Other assets – held by regions and branches | 25% of cost               |

**1.5 Investments**

The investment in the subsidiary company is disclosed on the parent's balance sheet at cost.

Listed investments are shown at mid market value at the close of business at the balance sheet date.

Gains and losses on investment assets are computed by reference to the market value of investments as disclosed in the latest audited accounts or to cost if acquired during the year.

**1.6 Stocks**

Stocks have been valued at the lower of cost and estimated net realisable value.

**1.7 Leases**

Operating lease rentals are charged to the Income and Expenditure Account when payments to the lessor fall due. Currently no assets are held under finance leases.

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

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1. **Accounting policies** (continued)

1.8 **Pension fund contributions**

The pension costs charge represents the Charity's contributions to personal pension plans of staff members and these are brought into account when payments arising to the scheme fall due.

1.9 **Incoming resources**

Incoming resources including legacies and donations are recognised when the Charity is entitled to receipt and the amount can be ascertained with reasonable certainty. Subscriptions and membership fees (other than Life Membership fees) are spread over the period covered by the subscription and amounts received in excess of the amounts credited are deferred. Life membership subscriptions once paid are not refundable. They are therefore credited as income in the year of receipt.

1.10 **Resources expended and cost allocation**

Resources expended are recognised on an accruals basis with liabilities being recognised as they arise.

Costs that relate direct to charitable activities or fund-raising activities of the Charity are charged to those activities. All other expenses are allocated on the basis of time spent by staff on the various activities.

Governance costs include the costs of administering the Charity as a legal entity and include costs of Trustees meetings, audit fees, other statutory costs and support costs allocated to this head.

The parent Charity is not registered for VAT and costs are disclosed inclusive of VAT. The subsidiary company is registered for VAT and fully recovers all input VAT. Costs incurred by the subsidiary are therefore stated net of VAT.

1.11 **Funds**

Unrestricted funds are donations and other incoming resources that can be used at the discretion of the Trustees for charitable purposes. Restricted funds are funds received from donors for specific activities. Expenditure which meets the criteria can be charged to the funds. Designated funds are unrestricted funds which have been earmarked by the Board for specific purposes.

2 **Voluntary income**

|                                | <b>2011</b>     | <b>2010</b>     |
|--------------------------------|-----------------|-----------------|
|                                | <b>£</b>        | <b>£</b>        |
| Donations                      | 46,231          | 33,520          |
| Donations received by branches | 39,053          | 49,788          |
| Legacies                       | 46,250          | 192,535         |
|                                | <u>£131,534</u> | <u>£275,843</u> |

3 **Investment income and interest**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Investment income             | 3,039         | 2,854         |
| Interest received             | 249           | 486           |
| Interest received by branches | 2,536         | 1,585         |
|                               | <u>£5,824</u> | <u>£4,925</u> |

4 **Subscriptions**

|                      |                 |                 |
|----------------------|-----------------|-----------------|
| Embroiderers' Guild  | 180,182         | 189,122         |
| Retained by branches | 105,853         | 102,149         |
|                      | <u>£286,035</u> | <u>£291,271</u> |

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

**5 Expenditure**

|                                 | Staff<br>costs<br>£ | Other<br>direct costs<br>£ | Support costs<br>staff<br>£ | other<br>£      | Total<br>2011<br>£ | Total<br>2010<br>£ |
|---------------------------------|---------------------|----------------------------|-----------------------------|-----------------|--------------------|--------------------|
| <b>Cost of generating funds</b> |                     |                            |                             |                 |                    |                    |
| Fundraising                     | -                   | 3,013                      | -                           | -               | 3,013              | 20,215             |
| Membership                      | 28,614              | 52,676                     | 15,680                      | 30,698          | 127,668            | 90,617             |
| Commercial trading operations   | 35,989              | 458,766                    | -                           | -               | 494,755            | 479,604            |
| <b>Charitable activities</b>    |                     |                            |                             |                 |                    |                    |
| Collection and curatorial       | 19,000              | 15,872                     | 10,411                      | 20,384          | 65,667             | 24,209             |
| Branch activities               | -                   | 747,325                    | -                           | -               | 747,325            | 700,959            |
| Education                       | 13,102              | 7,427                      | 7,179                       | 14,056          | 41,764             | 47,378             |
| Exhibitions and shows           | 15,344              | 7,045                      | 8,408                       | 16,462          | 47,259             | 27,790             |
| Young Embroiderers              | 12,165              | 6,026                      | 6,666                       | 13,051          | 37,908             | 33,403             |
| <b>Governance</b>               | 5,336               | 50,848                     | 2,924                       | 5,724           | 64,832             | 55,189             |
|                                 | <u>£129,550</u>     | <u>£1,348,998</u>          | <u>£51,268</u>              | <u>£100,375</u> | <u>£1,630,191</u>  | <u>£1,479,364</u>  |

**6 Total resources expended**

Total resources expended are stated after charging:

|   | 2011<br>£     | 2010<br>£     |
|---|---------------|---------------|
| Amounts payable to the auditors - for audit | 13,100        | 12,800        |
| - prior year under accrual                  | -             | 8,250         |
| Depreciation                                | 5,050         | 6,089         |
| Operating Lease Payments                    | <u>27,933</u> | <u>31,007</u> |

**7 Staff costs**

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| Salaries              | 163,714         | 228,198         |
| Social security costs | 17,104          | 17,823          |
| Pensions costs        | -               | 5,533           |
|                       | <u>£180,818</u> | <u>£251,554</u> |

The average weekly number of staff employed (including part time members) during the year was:

|   |   |
|---|---|
| 7 | 9 |
|---|---|

Emoluments of the Executive Committee

|      |      |
|------|------|
| £Nil | £Nil |
|------|------|

In 2011 no employee was paid remuneration in excess of £60,000. In 2010, one employee was paid in the range £80,000-£90,000. Pension contributions of £4,662 were also paid in the previous year in respect of this employee.

None for the Trustees, or any person connected with them have received any remuneration in the current or preceding year.

Six Trustees were reimbursed for travel and overnight accommodation totalling £9,563 (2010: Four, £3,812).

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

8 (a) **Tangible fixed assets**

|                          | <b>Furniture, Fittings, Computer<br/>and Equipment</b> |               |
|--------------------------|--|---------------|
| <b>Cost or valuation</b> | <b>Group</b>   | <b>Parent</b> |
|                          | <b>£</b>   | <b>£</b>      |
| At 1 September 2010      | 168,457  | 110,253       |
| Additions this year      | 6,755  | 5,146         |
| Disposals                | -  | -             |
| At 31 August 2011        | 175,212  | 115,399       |
| <b>Depreciation</b>      |  |               |
| At 1 September 2010      | 151,695  | 93,491        |
| Charge for the year      | 5,050  | 4,648         |
| Disposals                | -  | -             |
| At 31 August 2011        | 156,745  | 98,139        |
| <b>Net book value</b>    |  |               |
| At 31 August 2011        | £18,467  | £17,260       |
| At 31 August 2010        | £16,762  | £16,762       |

All fixed assets were used for charitable purposes.

(b) **Heritage assets – Group and Parent**

|                          | <b>£</b> |
|--------------------------|----------|
| <b>Cost or valuation</b> |          |
| At 1 September 2010      | 10,000   |
| Additions this year      | -        |
| At 31 August 2011        | £10,000  |

The Guild maintains a collection of embroidery and related items. This collection of approximately 11,000 artefacts has been built up over many years.

The Guild has about 1,500 items in the collection on permanent display, which members can access by prior arrangement. The Guild is also developing a policy of taking selected items to the regions, where they are displayed at specially arranged functions. The remainder of the collection is not on permanent display but can be accessed by members by special arrangement. The Guild plans in future to provide the general public with access to the collection, although the logistics of this have yet to be finalised. Though the collection is insured for £642,000, the Trustees do not consider this to be an appropriate indication of the value of the collection, for inclusion in the accounts.

The original cost of individual items acquired historically is not available and many items have been donated. The nature of the collection means that a sufficiently reliable method of valuation for accounting purposes is not available for items acquired prior to 1st August 2007. Items acquired subsequently are disclosed at cost and, as they are appreciating assets, which are maintained to a high standard, they are not depreciated.

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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9 **Listed investments**

| <b>Group and Parent</b>               | <b>2011</b>    | <b>2010</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>£</b>       | <b>£</b>       |
| Market value at 1 September 2010      | 55,610         | 54,170         |
| Net unrealised investment (loss)/gain | (1,403)        | 1,440          |
|                                       | <u>£54,207</u> | <u>£55,610</u> |
| Market value at 31 August 2011        | <u>£54,207</u> | <u>£55,610</u> |
| Historical cost at 31 August 2011     | <u>£57,069</u> | <u>£57,069</u> |

The following investments within the Guild's investment portfolio are material:-

|                               | Market value   |                |
|-------------------------------|----------------|----------------|
|                               | <b>2011</b>    | <b>2010</b>    |
|                               | <b>£</b>       | <b>£</b>       |
| Cazenove Charity Income Units | <u>£53,312</u> | <u>£54,705</u> |

10 **Investment in trading subsidiary**

**Parent**

The Embroiderers' Guild holds 100% of the ordinary share capital (100, £1 ordinary shares) of E G Enterprises Limited, a company incorporated in England and Wales. The principal activities of the company are magazine publishing, tours and retailing, in connection with the craft of embroidery. A summary of its trading results is shown below:

|  | <b>2011</b>    | <b>2010</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>Turnover</b>                            | 540,004        | 562,324        |
| Costs of sales                             | (396,895)      | (381,019)      |
|  | <u>143,109</u> | <u>181,305</u> |
| <b>Gross profit</b>                        | 143,109        | 181,305        |
| Administrative expenses                    | (97,860)       | (98,585)       |
|  | <u>45,249</u>  | <u>82,720</u>  |
| <b>Operating profit</b>                    | 45,249         | 82,720         |
| Interest receivable                        | 249            | 235            |
|  | <u>45,498</u>  | <u>82,955</u>  |
| <b>Profit for the financial year</b>       | 45,498         | 82,955         |
| Paid under deed of covenant to the Charity | (45,498)       | (82,510)       |
| <b>Retained in subsidiary</b>              | <u>£0</u>      | <u>£445</u>    |

The aggregate capital and reserves of the company at 31 August 2011 was £546 (2010: £546).

11 **Stocks**

|                              | <b>2011</b>   |               | <b>2010</b>    |               |
|------------------------------|---------------|---------------|----------------|---------------|
|                              | <b>Group</b>  | <b>Parent</b> | <b>Group</b>   | <b>Parent</b> |
|                              | <b>£</b>      | <b>£</b>      | <b>£</b>       | <b>£</b>      |
| Goods for resale:            |               |               |                |               |
| Books, cards and other stock | 3,500         | -             | 20,811         | -             |
| Held by Regions and Branches | <u>2,355</u>  | <u>2,355</u>  | <u>2,296</u>   | <u>2,296</u>  |
|                              | <u>£5,855</u> | <u>£2,355</u> | <u>£23,107</u> | <u>£2,296</u> |

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

**12 Debtors**

|                                       | 2011            |                | 2010            |                |
|---------------------------------------|-----------------|----------------|-----------------|----------------|
|                                       | Group<br>£      | Parent<br>£    | Group<br>£      | Parent<br>£    |
| Trade debtors                         | 13,155          | -              | 9,821           | -              |
| Other debtors and prepayments         | 158,405         | 96,545         | 96,990          | 32,902         |
| Amount due from subsidiary<br>company | -               | -              | -               | 62,335         |
|                                       | <u>£171,560</u> | <u>£96,545</u> | <u>£106,811</u> | <u>£95,237</u> |

**13 Creditors: Amounts falling due within one year**

|                                  |                 |                 |                 |                 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Bank loans and overdraft         | 40,356          | 40,356          | 34,100          | 34,100          |
| Trade creditors                  | 58,365          | 31,246          | 51,077          | 19,106          |
| Taxes and social security costs  | 2,929           | 2,929           | 6,302           | 6,302           |
| Other creditors                  | 8,146           | 7,773           | 45,007          | 45,007          |
| Accruals                         | 36,600          | 20,160          | 44,335          | 32,509          |
| Deferred income                  | 124,924         | 22,065          | 132,622         | 20,340          |
| Amount due to subsidiary company | -               | 21,360          | -               | -               |
|                                  | <u>£271,320</u> | <u>£145,889</u> | <u>£313,443</u> | <u>£157,364</u> |

**14 Creditors: Amounts falling due after one year**

|                          |                |                |                |                |
|--------------------------|----------------|----------------|----------------|----------------|
| Bank loans and overdraft | 9,977          | 9,977          | 68,200         | 68,200         |
| Other loans              | 30,000         | 30,000         | 30,000         | 30,000         |
|                          | <u>£39,977</u> | <u>£39,977</u> | <u>£98,200</u> | <u>£98,200</u> |
| Being loans due          |                |                |                |                |
| In 1-2 years             | 39,977         | 39,977         | 34,100         | 34,100         |
| In 2 -5 years            | -              | -              | 64,100         | 64,100         |
|                          | <u>£39,977</u> | <u>£39,977</u> | <u>£98,200</u> | <u>£98,200</u> |

The bank loan, which is unsecured, is repayable over 5 years and is matched by ring fenced funds held by Unity Trust bank. The other loan is an interest free loan from a supporter and is due for repayment in December 2012.

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

| 15 Unrestricted Funds | b/f<br>£        | Income<br>£       | Expenditure<br>£    | Transfers<br>£ | c/f<br>£        |
|-----------------------|-----------------|-------------------|---------------------|----------------|-----------------|
| <b>Group</b>          |                 |                   |                     |                |                 |
| General               | (21,659)        | 762,707           | (843,570)           | -              | (102,522)       |
| Branches and regions  | 737,867         | 754,403           | (733,347)           | -              | 758,923         |
|                       | <u>716,208</u>  | <u>1,517,110</u>  | <u>(1,576,917)</u>  | <u>-</u>       | <u>656,401</u>  |
| Branches Support Fund | 10,208          | -                 | -                   | -              | 10,208          |
|                       | <u>£726,416</u> | <u>£1,517,110</u> | <u>£(1,576,917)</u> | <u>£-</u>      | <u>£666,609</u> |
| <b>Parent</b>         |                 |                   |                     |                |                 |
| General               | (22,104)        | 762,707           | (843,570)           | -              | (102,967)       |
| Branches and regions  | 737,867         | 754,403           | (733,347)           | -              | 758,923         |
|                       | <u>715,763</u>  | <u>1,517,110</u>  | <u>(1,576,917)</u>  | <u>-</u>       | <u>655,956</u>  |
| Branches Support Fund | 10,208          | -                 | -                   | -              | 10,208          |
|                       | <u>£725,971</u> | <u>£1,517,110</u> | <u>£(1,576,917)</u> | <u>£-</u>      | <u>£666,164</u> |

General reserves represent funds freely available to further the objects of the Charity.

When branches are dissolved, any surplus funds are remitted to head office and credited to the branches support fund which is designated to provide assistance for the launch of new branches and to provide financial assistance to existing branches.

The branches and regions fund represents resources held by the branches and regions.

**16 Restricted Funds - Group and Parent**

|                           | b/f<br>£        | Income<br>£    | Investment<br>(Losses)<br>£ | Expenses<br>£    | c/f<br>£        |
|---------------------------|-----------------|----------------|-----------------------------|------------------|-----------------|
| De Denne Memorial Fund    | 70,570          | 2,808          | (1,403)                     | (1,766)          | 70,209          |
| Educational Resources     | 2,422           | 64             | -                           | -                | 2,486           |
| Office Move               | 20,632          | 175            | -                           | (20,807)         | -               |
| Madeira                   | 6               | 1,400          | -                           | (1,270)          | 136             |
| Collection                | 10,527          | 126            | -                           | (10,653)         | -               |
| Collection Purchases      | 11,143          | -              | -                           | -                | 11,143          |
| IT and Website            | -               | 43,750         | -                           | -                | 43,750          |
| Other                     | 2,335           | 4,925          | -                           | (4,800)          | 2,460           |
| Total Embroiderers' Guild | <u>117,635</u>  | <u>53,248</u>  | <u>(1,403)</u>              | <u>(39,296)</u>  | <u>130,184</u>  |
| Regions and Branches      | 40,369          | 4,898          | -                           | (13,978)         | 31,289          |
| Total Restricted Funds    | <u>£158,004</u> | <u>£58,146</u> | <u>£(1,403)</u>             | <u>£(53,274)</u> | <u>£161,473</u> |

The restricted funds comprise the regions and branches fund (comprised of the restricted funds within all the regions and branches, which is usually principally recent project grants), the Collection, Collection Purchases and Educational Resources Funds (consisting largely of donations for these purposes from members of the Guild) and the de Denne Memorial Fund, the income from which is used for the benefit of young embroiderers. The IT and website fund has been donated to the Guild to help the Guild achieve much needed operational efficiencies, improved communications and increase the Guild's capacity to grow. The other funds consist of smaller sums such as donations from the Broderers Company and awards for scholarships.

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

17 **Branches and Regions Financial Statements**

| <b>Branch Balance Sheet</b>                    | <b>2011</b>     | <b>2010</b>     |
|--|-----------------|-----------------|
|  | £               | £               |
| Fixed Assets                                   | 14,699          | 16,272          |
| Stocks   | 2,355           | 2,296           |
| Debtors and prepayments                        | 8,916           | 11,461          |
| Loan to Guild (eliminated on consolidation)    | 143,402         | 146,374         |
| Cash at bank and in hand                       | 637,203         | 615,635         |
|  | <u>806,575</u>  | <u>792,038</u>  |
| Creditors: Amounts falling due within one year | (16,363)        | (13,802)        |
| <b>Net Assets</b>                              | <u>790,212</u>  | <u>778,236</u>  |
| Funds b/f                                      | 778,236         | 739,781         |
| Surplus for the year                           | 11,976          | 38,455          |
| <b>Total Funds</b>                             | <u>£790,212</u> | <u>£778,236</u> |
|  | 2               | 6               |

**Branch Income and Expenditure Account**

|                                      | <b>2011</b> |                | <b>2010</b> |                |
|--------------------------------------|-------------|----------------|-------------|----------------|
|                                      | £           | £              | £           | £              |
| <b>Income</b>                        |             |                |             |                |
| Net Subscription income              |             | 105,853        |             | 102,149        |
| Donations and tax reclaimed          |             | 39,053         |             | 49,788         |
| Bank Interest                        |             | 2,536          |             | 1,585          |
| Meetings income                      | 74,937      |                | 71,276      |                |
| Class, workshop and lecture income   | 297,651     |                | 256,956     |                |
| Exhibition and project income        | 31,174      |                | 38,579      |                |
| Sales table income                   | 21,628      |                | 21,101      |                |
| Branch outings and social events     | 76,378      |                | 75,733      |                |
| Fundraising income                   | 28,611      |                | 27,322      |                |
| Regional day income                  | 51,306      |                | 49,547      |                |
| Net Magazine subs received           | 9,152       |                | 5,689       |                |
| Young Embroiderers income            | 15,691      |                | 13,498      |                |
| Other income                         | 5,331       |                | 26,191      |                |
| Other activity income                |             | 611,859        |             | 585,892        |
| <b>Total Income</b>                  |             | <u>759,301</u> |             | <u>739,414</u> |
| <b>Expenditure</b>                   |             |                |             |                |
| Regional levy and affiliation fees   | 7,997       |                | 7,077       |                |
| Insurance                            | 16,708      |                | 16,174      |                |
| Officers and committee expenses      | 14,644      |                | 13,243      |                |
| Meetings costs and expenses          | 131,373     |                | 144,092     |                |
| Class, workshop and lecture expenses | 323,961     |                | 271,621     |                |
| Exhibition and projects expenses     | 43,397      |                | 32,656      |                |
| Branch outings                       | 79,745      |                | 81,437      |                |
| Fundraising expenses                 | 5,560       |                | 5,098       |                |
| Regional day expenses                | 41,322      |                | 35,744      |                |
| Office costs                         | 22,864      |                | 20,137      |                |
| Branch magazine                      | 8,304       |                | 6,900       |                |
| Young Embroiderers expenses          | 15,031      |                | 11,957      |                |
| Other expenses                       | 36,419      |                | 54,823      |                |
| <b>Total Expenditure</b>             |             | <u>747,325</u> |             | <u>700,959</u> |
| <b>Surplus for the year</b>          |             | <u>£11,976</u> |             | <u>£38,455</u> |

**THE EMBROIDERERS' GUILD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

**18 Analysis of Net Assets between Funds**

| <b>Group</b>          | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Funds<br/>£</b> |
|-----------------------|-------------------------------------|-----------------------------------|------------------------------|
| Tangible Fixed Assets | 28,467                              | -                                 | 28,467                       |
| Investment Assets     | -                                   | 54,207                            | 54,207                       |
| Current Assets        | 949,439                             | 107,266                           | 1,056,705                    |
| Current Liabilities   | (271,320)                           | -                                 | (271,320)                    |
| Long Term Liabilities | (39,977)                            | -                                 | (39,977)                     |
|                       | <u>£666,609</u>                     | <u>£161,473</u>                   | <u>£828,082</u>              |
| <b>Parent</b>         |                                     |                                   |                              |
| Tangible Fixed Assets | 27,260                              | -                                 | 27,260                       |
| Investment Assets     | 100                                 | 54,207                            | 54,307                       |
| Current Assets        | 824,670                             | 107,266                           | 931,936                      |
| Current Liabilities   | (145,889)                           | -                                 | (145,889)                    |
| Long Term Liabilities | (39,977)                            | -                                 | (39,977)                     |
|                       | <u>£666,164</u>                     | <u>£161,473</u>                   | <u>£827,637</u>              |

**19 Related Party Transactions**

Transactions between the parent charitable company and its subsidiary company are not separately disclosed as the group's consolidated financial statements are publicly available. The amount due to the subsidiary from the parent at the year end is disclosed in note 12.

The Guild's Chief Executive Officer is an independent contractor who invoiced the parent Charity £57,852 including VAT, and the subsidiary company EG Enterprises £62,000 excluding VAT.

**20 Operating Lease Commitments**

In the next twelve months the group and the parent are committed to the following payments under operating leases which expire:

|             | <b>Group</b>                       |                                   | <b>Parent</b>                      |                                   |
|-------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|             | <b>Land and<br/>Building<br/>£</b> | <b>Office<br/>Equipment<br/>£</b> | <b>Land and<br/>Building<br/>£</b> | <b>Office<br/>Equipment<br/>£</b> |
| 0 – 1 Year  | -                                  | 551                               | -                                  | -                                 |
| 1 – 2 Years | -                                  | 680                               | -                                  | -                                 |
| 2 – 5 Years | 38,000                             | 3,547                             | 38,000                             | -                                 |
|             | <u>38,000</u>                      | <u>3,547</u>                      | <u>38,000</u>                      | <u>-</u>                          |

**21 Contingent Liability**

A review of current employees' contracts of employment revealed that a number of employees were entitled to employer's contributions towards their personal pension plan and this entitlement is backdated. A consultation exercise has been conducted, and where appropriate, staff have been advised to take independent financial advice. No payments have been made and no accruals were made in previous years' accounts, and the staff had not been properly advised of their entitlement. The Guild is committed to making good losses suffered by individual employees but, owing to the complexities of the issue, the amounts involved cannot be quantified with reasonable accuracy at present. Any liabilities arising are expected to be settled in full in the coming year.