

REGISTERED COMPANY NUMBER: 05608888
REGISTERED CHARITY NUMBER: 1113675

**THE MAKERS GUILD IN WALES
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2012**



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

THE MAKERS GUILD IN WALES

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FOR THE YEAR ENDED 30 JUNE 2012**

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THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05608888

Registered Charity number
1113675

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

Trustees

L J Barrett

Chairperson

M Binet Fauvel

- resigned 21/7/2011

D P G Thomas

- resigned 29/1/2012

P Williams

W Cowley

E Davies

- resigned 21/7/2011

L Thomas

D Hill

O Moseley

M Weirman

E Fletcher

S D J Llewellyn

B Adams

- appointed 21/7/2012

S Nicholls

- appointed 29/1/2012

Company Secretary

S Burgess

Independent Examiner

Paul Carr FCA

Independent Examiner

Carr, Jenkins & Hood

Redwood Court

Tawe Business Village

Swansea Enterprise Park

Swansea

SA7 9LA

INCORPORATION AND COMMENCEMENT OF ACTIVITIES

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

THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity is a company limited by guarantee and was registered with the Charity Commission on 6 April 2006, although The Makers Guild in Wales was first established by a group of makers in 1984. The Governing Documents are held at Craft in the Bay. In October 2006, the Guild agreed to the establishment of the current Charity. There are two categories of membership, Maker Member and Supporter Member. Guild Maker-membership is open to all professional craftspeople, living and or working in Wales, who are personally involved with the design and execution of fine, contemporary craft and who produce work that demonstrates unity of design, craftsmanship and innovation. All work is assessed according to the Guild's Artistic Criteria. Craft work is selected on artistic merit to ensure the quality of work on display is of the highest order.

Recruitment and appointment of new trustees

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

Induction and training of new trustees

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

Organisational structure

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

Risk management

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

Staffing

The Guild employs 3 full-time staff (2011- 3) and 4 part-time staff (2011- 4). Since April 2008, the Guild has operated a defined contribution pension scheme for the benefit of its employees. The staffing of the gallery area is supplemented each day by volunteers, with 440 volunteer days in 2012 (2011- 381) this includes days given by Maker-Members.

The Guild has established partnerships for volunteering with the Friends of Craft in the Bay, Careers Wales, Go Wales, Voluntary Community Service (Cymru) and the Wales Centre for Voluntary Action.

OBJECTIVES AND ACTIVITIES

Objectives

As listed in its Memorandum of Association,

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

THE MAKERS GUILD IN WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2012

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Guild is fully committed to its charitable aims, namely the promotion and preservation of applied art and craft skills, by presenting Welsh based work of the highest quality for the public to view. The Guild fulfils its aims in a number of ways,

Through the promotion and preservation of craft skills, by the presentation of Welsh craft work of the highest quality for the public to see and view 7 days a week, 362 days a year free of charge. The Makers Guild in Wales is fully committed to providing the public with opportunities to see and engage with visual art, applied art and craft of the highest standard. Last year the visitor numbers to the gallery were 95,783. The Guild also supports craft-makers in their professional practice, providing exhibition space, professional development training and teaching opportunities.

In addition through an annual programme exhibitions (of National and International Craft and Applied Art) and education programmes. The Guild has a reputation for providing the public with a first-class opportunity to view and interact with both National and International curated displays of craft and applied art. The annual exhibition programme explores many aspects of the visual arts and crafts and the Guild regularly works with artists and curators to deliver projects that explore the most recent developments in the field. Opportunities for craft makers to share their skills are programmed through workshops and demonstrations both on and off the premises.

The Trustees particularly acknowledge partnerships and support for these activities through the year from - The Arts Council of Wales, Wales Millennium Centre, The Princes Trust for Children and the Arts, The Waterloo Foundation, the Garfield Weston Foundation, The Jane Hodge Foundation and The Red Dragon Centre.

FINANCIAL REVIEW

Review of finances

The Statement of Financial Activities shows net incoming funds for the year of £10,619, an increase of £40,923. This can be directly attributed to the success of both controlling costs and the success of the Guilds' Fund-raising scheme overseen by the Fund-raising committee. It included a raffle and lucky dip in which the Maker-members donated craft as prizes, and donations by the public and by three Foundations.

Reserves policy

The trustees ensure that the disposition of restricted funds is in accordance with donor requirements. During the year under review unrestricted funds have increased, due in part to the successful fund-raising scheme and control of costs. The increase in reserves is the budgeted strategic aim for the next three years.

Principal funding sources

Commissions from the sale of Maker Members' work displayed in the main gallery, rental income from the café, income from educational activities and the letting of meeting rooms which, along with fund-raising, produce the bulk of the Charity's income.

Some 33% of the Gallery floor area is designated for the annual curated Exhibition programme which, together with Educational facilities offered to people of all ages in two workshop areas on the ground floor, is part funded by the Arts Council of Wales. The revenues and associated costs are those designated as 'Restricted funds' in the financial statements.

Investment policy and objectives

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

Factors affecting the Charity

The Guild has (and continues to) received support from the Arts Council of Wales in the form of an annual grant. The income from sales of craft work has remained steady through the economic downturn. In creating a three year forecast the Trustees see Fund-raising as an increasingly important aspect of raising income. The Guild continues to be committed to the responsibilities which come with the ownership of a Grade II listed premises.

THE MAKERS GUILD IN WALES

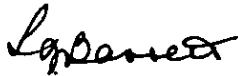
**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2012**

FUTURE DEVELOPMENTS

The Trustees have endorsed a three year financial forecast targeted at strengthening the Balance Sheet through the generation of increasing surpluses. This is an important strategic aim to ensure the financial viability of the organisation into the future.

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

ON BEHALF OF THE BOARD



L J Barrett - Trustee

Date *20 September 2012*

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

I report on the accounts for the year ended 30 June 2012 set out on pages six to thirteen

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

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

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention

Basis of the independent examiner's report

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

Independent examiner's statement

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

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

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

have not been met, or

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



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

Date 22.09.2012

THE MAKERS GUILD IN WALES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	25,949	-	25,949	9,918
Activities for generating funds	3	71,602	-	71,602	69,869
Investment income	4	16,807	-	16,807	15,586
Incoming resources from charitable activities					
General		6,969	-	6,969	4,965
Exhibition		26,102	11,205	37,307	29,897
Workshop		38,431	11,204	49,635	50,715
Total incoming resources		185,860	22,409	208,269	180,950
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		439	-	439	-
Fundraising trading cost of goods sold and other costs		49,376	-	49,376	60,164
Charitable activities					
General		57,568	-	57,568	62,721
Exhibition		5,600	23,037	28,637	30,696
Workshop		14,124	14,230	28,354	27,885
Governance costs		33,276	-	33,276	29,788
Total resources expended		160,383	37,267	197,650	211,254
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		25,477	(14,858)	10,619	(30,304)
Gross transfers between funds	13	(17,262)	17,262	-	-
Net incoming/(outgoing) resources		8,215	2,404	10,619	(30,304)
RECONCILIATION OF FUNDS					
Total funds brought forward		29,858	1,346	31,204	61,508
TOTAL FUNDS CARRIED FORWARD		38,073	3,750	41,823	31,204

The notes form part of these financial statements

THE MAKERS GUILD IN WALES

**BALANCE SHEET
AT 30 JUNE 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	9	1,147,828	-	1,147,828	1,158,524
CURRENT ASSETS					
Stocks		10,054	-	10,054	7,423
Debtors	10	21,401	3,750	25,151	26,502
Cash at bank and in hand		16,307	-	16,307	14,956
		<u>47,762</u>	<u>3,750</u>	<u>51,512</u>	<u>48,881</u>
CREDITORS					
Amounts falling due within one year	11	(46,640)	-	(46,640)	(55,471)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,122</u>	<u>3,750</u>	<u>4,872</u>	<u>(6,590)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,148,950</u>	<u>3,750</u>	<u>1,152,700</u>	<u>1,151,934</u>
ACCRUALS AND DEFERRED INCOME	12	(1,110,877)	-	(1,110,877)	(1,120,730)
NET ASSETS		<u>38,073</u>	<u>3,750</u>	<u>41,823</u>	<u>31,204</u>
FUNDS	13				
Unrestricted funds				38,073	29,858
Restricted funds				3,750	1,346
TOTAL FUNDS				<u>41,823</u>	<u>31,204</u>

The notes form part of these financial statements

THE MAKERS GUILD IN WALES

**BALANCE SHEET - CONTINUED
AT 30 JUNE 2012**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2012

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2012 in accordance with Section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees on **20.9.2012** and were signed on its behalf by



S D J Llewellyn -Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared under the historical cost convention

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

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

Accounting convention

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

Incoming resources

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

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

Resources expended

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

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

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

2. VOLUNTARY INCOME

	2012	2011
	£	£
Donations	96	65
Grants	16,000	-
Deferred income released	9,853	9,853
	<u>25,949</u>	<u>9,918</u>

Grants received included in the above are as follows

	2012
	£
The Waterloo Foundation	5,000
The Jane Hodge Foundation	1,000
The Garfield Weston Foundation	10,000
	<u>16,000</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2012	2011
	£	£
Fundraising events	8,553	-
Shop income	63,049	69,869
	<u>71,602</u>	<u>69,869</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2012

4. INVESTMENT INCOME

	2012	2011
	£	£
Rents received	10,750	9,000
Room rental income	6,048	6,570
Deposit account interest	9	16
	<u>16,807</u>	<u>15,586</u>

5. SUPPORT COSTS

	Management
	£
Governance costs	33,276
General	13,015
Exhibition	4,361
Workshop	10,999
	<u>61,651</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	<u>10,696</u>	<u>11,185</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2012 nor for the year ended 30 June 2011

Trustees' Expenses

There were no trustees' expenses paid for the year ended 30 June 2012 nor for the year ended 30 June 2011

8. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	90,888	92,672
Other pension costs	3,432	3,382
	<u>94,320</u>	<u>96,054</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2012

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 July 2011 and 30 June 2012	<u>1,240,381</u>	<u>483</u>	<u>77,444</u>	<u>1,318,308</u>
DEPRECIATION				
At 1 July 2011	82,951	483	76,350	159,784
Charge for year	<u>10,084</u>	<u>-</u>	<u>612</u>	<u>10,696</u>
At 30 June 2012	<u>93,035</u>	<u>483</u>	<u>76,962</u>	<u>170,480</u>
NET BOOK VALUE				
At 30 June 2012	<u>1,147,346</u>	<u>-</u>	<u>482</u>	<u>1,147,828</u>
At 30 June 2011	<u>1,157,430</u>	<u>-</u>	<u>1,094</u>	<u>1,158,524</u>

10. DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	10,568	11,515
Other debtors	<u>14,583</u>	<u>14,987</u>
	<u>25,151</u>	<u>26,502</u>

11. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts	2,406	3,816
Trade creditors	19,603	19,568
Taxation and social security	1,564	1,693
Other creditors	<u>23,067</u>	<u>30,394</u>
	<u>46,640</u>	<u>55,471</u>

12. ACCRUALS AND DEFERRED INCOME

	2012 £	2011 £
Deferred government grants	<u>1,110,877</u>	<u>1,120,730</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2012

13. MOVEMENT IN FUNDS

	At 1.7.11 £	Net movement in funds £	Transfers between funds £	At 30.6.12 £
Unrestricted funds				
General fund	29,858	25,477	(17,262)	38,073
Restricted funds				
Exhibition	673	(11,832)	13,034	1,875
Workshop	673	(3,026)	4,228	1,875
	<u>1,346</u>	<u>(14,858)</u>	<u>17,262</u>	<u>3,750</u>
TOTAL FUNDS	<u>31,204</u>	<u>10,619</u>	<u>-</u>	<u>41,823</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	185,860	(160,383)	25,477
Restricted funds			
Exhibition	11,205	(23,037)	(11,832)
Workshop	11,204	(14,230)	(3,026)
	<u>22,409</u>	<u>(37,267)</u>	<u>(14,858)</u>
TOTAL FUNDS	<u>208,269</u>	<u>(197,650)</u>	<u>10,619</u>

Restricted funds are grants received for specific charitable objectives

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of trustees