

Charity number: 1090995
Company number: 4149246

GROUP FOR EDUCATION IN MUSEUMS

(A company limited by guarantee)

Trustees' Report and Financial Statements for the year ended 31 December 2018

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Reference and administrative information

Charity number	1090995		
Company registration number	4149246		
Registered office	The Joiners Shop (unit 10) The Historic Dockyard Chatham Kent ME4 4TZ		
Trustees	Caroline Marcus	Chair	elected 4 September 2018
	Kathy Moore	Deputy Chair	elected 4 September 2018
	Richard Bruce	Treasurer	elected 4 September 2018
	Sue Pope		elected 3 September 2014
	Alison Giles		co-opted 24 April 2017
	Sarah Cowie		elected 4 September 2018
	Essex Havard		elected 4 September 2018
	John Stevenson	Chair	resigned 4 September 2018
	Anra Kennedy	Deputy Chair	resigned 4 September 2018
	Izzy Mohamed		resigned 4 September 2018
Company Secretary	Claire Gisby		
Reporting Accountant	Bruce Burford Chartered Accountant 25 Park Drive Hoole Chester CH2 3JR		
Bankers	HSBC 95 Gloucester Road London SW7 4SX		

Chair's Statement

GEM reached its 70th anniversary in 2018 and the rich heritage of GEM and the history of heritage learning was celebrated as part of the annual conference in Nottingham – an impactful testimony to developments in the sector and the work of our passionate members.

2018 has been an exciting time of change for GEM, including the culmination of our successful *Learning & Sharing Centre* (LSC) Arts Council supported project, alongside significant changes in governance and leadership.

In March we celebrated the achievements of the LSC Project at a conference hosted by the National Army Museum. At this event we gained feedback from the sector and made plans for the future, including rolling out the new intermediate and advanced courses as part of GEM's annual training programme. Consultant Sheila McGregor presented the findings of the Business Consultancy Report, which she worked on in collaboration with Felicity Woolf, Emma Hutson and Mike Woodward, which following consultation, signposted the training needs of the sector, which has proved invaluable for our future planning.

This important report strongly identified the need for GEM to change and transform. GEM responded to feedback received from members and key stakeholders, including Arts Council England and made an effective case for supporting a transformative change project. Before approaching the National Lottery Heritage Fund (NLHF) with our project proposal, *A Stronger GEM for a Stronger Sector*, we spent several months in consultation with the sector, finding out how best to support the needs of heritage learning professionals. I'm delighted that the NLHF awarded GEM with £68,500 funding for an 18-month project at the end of 2018. This project is enabling us to build a resilient organisation through renewing our organisational vision and structure, transforming our governance and developing a robust business plan to secure a sustainable future.

With the support and focus of our Director, Rachel Tranter, working with Trustees, GEM has begun a process of building stronger relationships and services for all four countries of the UK. Our Education and Communications Manager, Holly Bee, has developed and coordinated a renewed programme of support for our valued area representatives.

In April, GEM launched its new website, developed by Thirty8 Digital and funded by Arts Council England, which has significantly improved its service to members and non-members. We are continuing to develop the website through a phase 2 programme in response to members' feedback. My tenure as GEM Chair began in September 2018 at the AGM in Nottingham. It has been an exciting and positive year of change. We still have challenges to become a self-sustaining organisation, however we are optimistic that we have the support to enable us to explore various options. I would like to take this opportunity to thank everyone who participated in the process of standing for Trustee roles and voting for new Trustees. Being GEM Chair has presented a wonderful opportunity to work with a wide range of people committed to and passionate about heritage learning. I would like to thank my fellow Trustees, the GEM Team (Rachel Tranter, Holly Bee, Sara Wallington and Claire Gisby), our highly valued Area Representatives and volunteers for all their hard work and commitment.

At the 2018 AGM, John Stevenson, GEM's long-serving voluntary CEO and Chair stood down as Chair and formally retired from his roles working with GEM. My colleagues on the GEM Board and I would once more like to thank John for everything he has done to support GEM for over 20 years, helping to sustain its important role as a much-needed sector support organisation. With the support of the National Lottery Heritage Fund, we are in the process of taking GEM's work forward beyond its initial 70 years to create a stronger, more resilient and focused support

organisation for the future. In developing GEM's vision for the future, we are relying on increased consultation with and participation from our members. We look forward to hearing your views and ideas to help GEM focus and prioritise, ensuring that we forge productive partnerships and successful pathways to better support the museum and heritage learning sector.



Caroline Marcus, Chair

Trustees' Report for the year ended 31 December 2018

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, submit their annual report and financial statements of the company for the year ended 31 December 2018. The statements comply with the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The report incorporates the Director's report as required by company law.

GEM's charitable purpose

GEM's charitable objects are to:

Further the education of the public by supporting and advancing education through museums, fostering the highest standard of professional practice and promoting education as a central function of museums.

GEM champions excellence in heritage learning by:

- advocating the positive impact of heritage learning on education, opportunities, health and wellbeing
- developing and sharing best professional practice
- providing high quality, value for money training and career support
- building partnerships and networks and advocating for museum and heritage learning
- sharing resources to encourage best practice, dialogue and research

In 2018 GEM celebrated its 70th anniversary, marking 70 years of supporting everyone involved in delivering learning in the museum and heritage sector.

Governance, structure and management

GEM is a membership organisation which supports museums and heritage organisations delivering learning for the benefit of the public. The company was incorporated on the 29 January 2001 and registered as a charity on 7 March 2002. The company is limited by guarantee and is governed by its Memorandum and Articles of Association.

GEM's membership at its peak in 2018 included 577 institutional and personal members. With institutional members representing 4 people for each institution, the total number of members equates to 1,579. This compares with 1,484 total members in 2017. GEM Trustees agreed not to substantially increase membership fees in 2018.

The business of GEM is managed by the Trustees who may exercise all the powers of the organisation. The day-to-day operation of GEM is delegated to the Director and GEM Team, working closely with Trustees. The Board is provided with updates on progress at Board meetings. Specific issues are referred to the Chair or other Trustees as appropriate, when they arise. GEM has a UK wide network of voluntary area representatives responsible for supporting GEM and providing benefits to members in their area. GEM involves and consults with its area representatives regarding policy and future development.

Trustees are elected in accordance with the procedures set out in its memorandum and Articles of Association. In 2018, several people put themselves forward to be new GEM Trustees and the membership confirmed the following appointments at the AGM on the 5 September 2018.

Caroline Marcus (Chair)

Richard Bruce (Treasurer)
Kathy Moore (Deputy Chair)
Essex Havard (Trustee)
Sarah Cowie (Trustee)

Trustees are provided with an induction (which is currently being refined following advice from the GEM Governance review) and the GEM Board commits to regularly reviewing its performance and achievements.

Public benefit statement

The trustees have reviewed the activities of the charity during the year, as detailed below, and are satisfied that the organisation has complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Summary of activities

2018 has been an extremely productive year for GEM with many positive activities, achievements and developments to report. In March, GEM celebrated the success and positive impact of the Arts Council supported *Learning & Sharing Centre* (LSC) project, through a final conference at the National Army Museum. The LSC project developed several new training courses in partnership with other organisations at intermediate and advanced levels. The project also enabled GEM to develop its website and digital competence as well as support GEM's 2018 publications. A special edition of GEM case studies was produced to coincide with the culmination of this project, which provided a comprehensive overview of the LSC project.

Consultants Sheila McGregor, Felicity Woolf, Emma Hutson and Mike Woodward completed their business consultancy report which included the results of an in-depth member survey. This survey demonstrated that GEM's services that are valued most highly are:

- Jobs listing (70%)
- JISC mail discussion forum (54%)
- GEM case studies (48%)
- Website (47%)
- Training events (45%)

The survey asked how GEM could step up its role as an advocate for the sector. Respondents suggested GEM should:

- Work more closely with the sector's lead bodies (74%)
- Influence debate about cultural and educational policy (70%)
- Develop a stronger presence across the UK (70%)
- Lobby and campaign (e.g. Ofsted, DCMS etc.) (56%)
- Lead and publish research (51%)
- Establish an All-Party Parliamentary Group for heritage learning (34%)
- Recruit patrons (18%)
- Develop a stronger international presence (11%)

In the survey comments, members expressed a general need for GEM to be developing stronger partnerships; engaging in advocacy work; improving its social media presence; and operating more strategically, in line with the approach taken by other sector support organisations. This feedback, together with key stakeholder recommendations and key voices within GEM, informed the focus of

the successful National Heritage Lottery Fund (NHLF) application - *A Stronger GEM for a Stronger Sector*.

The NHLF project focuses on GEM's transformation through strengthening its practice in three key areas. This includes consultancy support to conduct a governance review; create a new vision, mission and values statement and to formulate a resilient business plan, working collaboratively with members. GEM's application was supported by several key figures within the museum learning sector, including David Anderson, Director General National Museums Wales, and reflected the need to be working effectively across all four nations of the UK.

In 2018, GEM Scotland voted to review heritage learning provision across Scotland; evaluating what members in Scotland need from GEM and how GEM can best support members in the future. One of GEM's key achievements in 2018 was its annual conference held in Nottingham, *Past, Present and Future*. In total, **145** delegates attended the conference, which is a significant increase on numbers in previous years. This may have been due to the central East Midlands location, the broad theme and quality of the programme, as well as the interest in GEM's period of change. Over a third of delegates completed evaluation feedback. Delegates gave highest ratings for Conference keynotes (90%), taking conference learning back to the workplace, and enjoyability (88%). Delegates stated that they found the keynotes, workshops, breakouts and networking to be the most helpful aspects of conference. We worked closely with the East Midlands MDO team to programme the 2018 conference. Keynotes included Esme Ward, Director of Manchester Museum and Tony Butler, Executive Director at Derby Museums, and Nikola Burdon from Arts Council England. Feedback from delegates included the following –

“Overall, this was the best GEM Conference I had been to. The standard of the keynotes, the overall focus and the quality of the contributors was fantastic. I have come away with a renewed optimism for the sector.”

Conference is a key part of GEM's programme and plans are in place for our forthcoming annual conference, which is to take place in Torquay in 2019. Its focus is on community engagement and collaboration, a theme raised in the LSC report.

The GEM *Journal of Education in Museums* no. 39, produced in the Winter of 2018, included a mix of articles drawing on academic research and reflections on practice. We are very grateful to our editor Neil Herrington and Deputy Editor Eirini Gkouskou for all their hard work shaping and completing the annual Journal.

Professional development programmes

In 2018, GEM delivered several training programmes, which were developed as part of the LSC project. *Heritage Interpretation*, working in partnership with the Association of Heritage Interpretation (AHI) and led by Sarah Oswald, has proved to be a particularly popular training course with 43 attendances. *The Learning Curve*, led by Nick Winterbottom in partnership with AIM, the Association of Independent Museums, was also very popular. This focussed on how the learning agenda can be viewed in its broadest terms across museums and encouraged learning staff and directors to attend together.

Alongside these new intermediate and advanced courses, GEM's existing *Foundation Course: Museum Learning* has continued to develop. In 2018 the foundation course leader Pete Brown led two courses, one in Manchester and one in London with good attendances (8 and 11 respectively, in a course kept to low numbers to assure a certain participant experience). GEM's core competencies, which includes the essential knowledge, skills, behaviours and expertise expected of the heritage

learning workforce, continue to be valued by the sector, both as part of GEM's professional development programme and also as a tool to support recruitment.

Our Education Officer Holly Bee led a programme of new sharing events *Empower the Educator* in eight regions. Aimed at learning professionals, these sessions focused on internal advocacy and promotion of workforce wellbeing. These sessions have proved to be very popular, helping GEM to develop new ways of working and have also enabled GEM to connect with its valued area representatives. While GEM received over 100 bookings for its professional development programme in 2018, not all of the intermediate courses have proved popular and over the next few months GEM will be reviewing its professional development programme to ensure that our offer is meeting the needs of the museum learning sector.

Member services

Alongside GEM's new training programme, GEM continues to provide much-needed services to members, including job advertisement alerts, publications, online resources, area events and career support. 244 job advertisements were placed in 2018, demonstrating the continued importance of this service, which accounts for almost a third of GEM's earned income.

GEM's member services were enhanced by the launch of the new website in April, enabling GEM to improve how it shares resources. The website was visited by an average of 3,842 visitors a month in 2018 and GEM developed its social media presence. By the end of 2018 GEM had over 7,000 followers on Twitter and the creation of a social media strategy has become a focus for GEM with the introduction of the social media volunteer role and GEM Trustees engaged to support GEM's social media profile, particularly at conferences and events. The JISCMail GEM List continues to be a popular and lively forum with over 1,600 members. We are grateful to Martin Bazley, the GEM Website/Digital Volunteer for his support managing and moderating the GEM JISCList.

As a result of the new website, GEM welcomed 9 new suppliers advertising their freelance services. Delivering GEM's services digitally is an important development and following the initial re-development of GEM's website we will be embarking on a phase 2 to make further improvements including online payments.

88 new members joined GEM in 2018 and our membership continues to be spread widely across all four nations of the UK and a small % of members outside of the UK. However, 147 members lapsed, demonstrating the need for GEM to develop a robust membership strategy aimed at retaining as well as recruiting members. Our membership in Northern Ireland is small at present and this is an area for development alongside improving member services in Scotland and Wales. Our valued area representatives (reps) delivered a wide range of programmes in 2018 and the Trustees would like to thank them for all their hard work and dedication to GEM. Area events are an extremely important part of GEM's membership benefits. These programmes have included well attended Twilight events in London and study days in the North East, and in Yorkshire and Humberside GEM reps launched a third year of the Reach Out research bursary programme to research practice in other parts of the country or Internationally.

In 2018 we brought area representatives together in meetings in London and Newcastle and encouraged attendance at conference. These meetings focused on collecting feedback from reps and led to significant changes in how we work with them, providing more support and opening more lines of communication. It also led to a new period of recruitment and numbers are on the rise. We will now be arranging meetings for reps twice a year and we are working hard to recruit reps in areas where there are none or low numbers. GEM reps are allocated budgets according to the number of members in their area and they also raise funds through events. GEM agreed with reps

that local bank accounts should be discontinued where they still exist and that a process of claiming expenses from GEM should be implemented to improve processes and strengthen the support GEM provides to its valued reps.

Advocacy, fundraising & partnerships

In 2018 our Director Rachel Tranter developed many positive relationships for GEM, including Arts Council England, the National Heritage Lottery Fund, the Museums Association, Engage, Culture, Health and Wellbeing Alliance and Arts Award. Following two consultation sessions, GEM supported the development of a new guide – Museums and Arts Award which has been published on the Arts Award website. This year, GEM has played an active role in the Museums Alliance, working with all of the funded and non-funded Sector Support Organisations to improve collaboration and reduce duplication. GEM presented well attended sessions at the Museums and Heritage Show learning zone, curated by GEM's Deputy Chair Anra Kennedy, and gave advice at the Ask the Experts stand. GEM also attended and contributed to several sector conferences, including the Cultural Inclusion Manifesto at the Lyric Hammersmith, Museums Association in Belfast, CHWA in Newcastle and Engage: A Social Prescription in Manchester. It is very important for GEM to continue to develop strategic alliances and partnerships within the sector in order to remain relevant and make the best use of resources, echoing the feedback of members and key funders. GEM will be continuing to focus on prioritising key stakeholder relationships in 2019. In December 2018 after months of strategic development, GEM secured a grant of £68,500 from the National Lottery Heritage Fund for its project *A Stronger GEM for a Stronger Sector*. This project is enabling GEM to review and refresh its governance practice, build a new vision informed by the sector and create a robust business plan for the future. The project provides funding for much needed project management resource, and a focus on advocacy and future partnership development.

Transition and Change

For many years, voluntary CEO John Stevenson had expressed his intention to retire and the decision to invest in a part time Director role was the first step towards this change in GEM's management and leadership. During the first eight months of 2018, planning for John Stevenson's retirement was supported by Deputy Chair Anra Kennedy and board members Kathy Moore and Alison Giles. To enable this change to happen, the Trustees agreed the establishment of a new post, Finance and Operations Manager. Claire Gisby was recruited to this role in July 2018 and the interim Director's role was extended, with Rachel Tranter continuing in post. Up to and following the AGM, Trustees ensured that handover was complete to enable John to retire from GEM in such a way that successfully ensured business continuity.

In September 2018, GEM successfully recruited a new Chair, Caroline Marcus and Treasurer, Richard Bruce who have invested their time in completing a smooth transition and renewed support structure for the GEM team.

By the end of 2018, following a period of transition and uncertainty, GEM found itself in a more stable position with the positive prospect of the Heritage Fund project in place for the start of 2019.

Financial review

With the support of the final payment from the Arts Council for the *Learning & Sharing Centre* project (£58,800); increased earned income due to the success of the 2018 conference (£25,299) and training income (£24,224), GEM's overall income totalled £185,484 in 2018. This includes £75,000 earned income from membership and advertising services.

To enable the retirement of GEM's voluntary CEO John Stevenson, it was necessary to build a more professional team. Costs have therefore increased due to continuing the Director's role (2 days a week) and appointing a Finance and Operations Manager (2 days a week). The Communications Officer relocated in 2018 and Trustees decided to combine the role with that of the Education Officer. A new full-time role, Education and Communications Manager was created following the completion of the LSC project. The part-time role of Office Administrator provides valued support to the team and membership.

GEM Trustees decided that investing in staff was a key priority in order to enable GEM to move forwards and also to support John Stevenson in his decision to retire. Ensuring that GEM has the funds needed to support a professional team will be of primary importance in the future. This will form an important focus for the Heritage Fund supported business planning process. At the year end, GEM held net funds of £111,238 unrestricted income compared with £128,732 of unrestricted income in 2017.

Going concern

As part of the annual budget setting process and routine financial review, the management and Trustees have reviewed the financial trends and assumptions used in forecasting financial performance of the organisation over a period exceeding 12 months from the date of signing these financial statements and consider that GEM remains a going concern.

Reserves policy & availability and adequacy of assets of each fund

The Trustees consider that the level of reserves presently held by the general fund and designated fund are necessary to cover any deficits in fundraising that may arise in the present and future years. The Trustees are also mindful of the need to retain general unrestricted funds whenever possible, not least because any unfunded project overspends must be met from these funds. The Trustees are also satisfied that the charity's assets are available and adequate to fulfil its obligations.

The Trustees have designated funds in respect of professional development for the continuous provision and improvement of educational and vocational training in museums to its members and the public.

Investment powers, policy and performance

The Trustees have devised an investment strategy for GEM the main elements of which are: (a) the approach should be cautious rather than adventurous, and ethical where possible; (b) no more than £50,000 should be deposited with any one bank; (c) there should be some limited diversification, i.e. moving some surplus cash into a diversified fund to include equities, bonds, property etc and (d) some money could be tied up for up to three years to attract higher rates of interest. The investment strategy and GEM's investments are kept under review by the Board.

Intangible income

GEM is grateful for the contributions of all its volunteers including Trustees, Area Representatives, members and everyone undertaking voluntary roles for GEM.

Small company provisions

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

The report of the Trustees was approved by the Board on the 10 September 2019 and signed on its behalf by



Caroline Marcus
Chair

Accountants' report to the Members of the company on the financial statements of Group for Education in Museums

I report on the accounts of the company for the year ended 31 December 2018 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes.

Respective responsibilities of trustees and reporting accountant

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required this year under Section 145 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

Basis of report

My work was conducted 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 statement below.

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 of the Companies Act 2006 and Section 130 of the Charities Act 2011; and
 - to prepare accounts which accord to the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and the Charities Act 2011have 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.



Bruce Burford ACA
Chartered Accountant
Chester, UK

Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31/12/18 Total £	Year ended 31/12/17 Total £
Income					
Donations		66		66	59
Charitable activities	2	89,001	61,911	150,912	195,895
Other trading activities	3	33,555	-	33,555	35,544
Investment income- bank interest		191	-	191	188
Gift aid received		-	-	-	907
Other income		760	-	760	444
Total income		<u>123,573</u>	<u>61,911</u>	<u>185,484</u>	<u>233,037</u>
Expenditure					
Raising funds		1,576	-	1,576	1,510
Charitable activities	4	137,694	102,665	240,359	160,477
Total resources expended		<u>139,270</u>	<u>102,665</u>	<u>241,935</u>	<u>161,987</u>
Net incoming resources before transfers					
		(15,697)	(40,754)	(56,451)	71,050
Transfers between funds	13	<u>2,844</u>	<u>(2,844)</u>	<u>-</u>	<u>-</u>
Net outgoing resources for the year before recognised gains and losses					
		(12,853)	(43,598)	(56,451)	71,050
(Loss)/Gain on investments		<u>(4,641)</u>	<u>-</u>	<u>(4,641)</u>	<u>4,592</u>
Net movement in funds		(17,494)	(43,598)	(61,092)	75,642
Total funds brought forward		<u>128,732</u>	<u>43,598</u>	<u>172,330</u>	<u>96,688</u>
Total funds carried forward		<u>111,238</u>	<u>-</u>	<u>111,238</u>	<u>172,330</u>

The notes 1 to 13 form an integral part of these financial statements.

Balance Sheet as at 31 December 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		1		1
Investment- CAF Equity Growth Fund			<u>38,946</u>		<u>43,587</u>
Total fixed assets			38,947		43,588
Current assets					
Debtors	11	2,517		2,890	
Cash at bank and in hand		80,058		138,990	
		<u>82,575</u>		<u>141,880</u>	
Creditors: amounts falling due within one year	12	(10,284)		(13,138)	
Net current assets			<u>72,291</u>		<u>128,742</u>
Total assets less current liabilities			<u>111,238</u>		<u>172,330</u>
Funds					
Unrestricted income fund			111,238		128,732
Restricted funds	13		-		43,598
Total funds			<u>111,238</u>		<u>172,330</u>

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies' subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved and authorised for issue by the Board on 10 September 2019 and signed on its behalf by;

Caroline Marcus

Caroline Marcus
Chair

The notes 1 to 13 form an integral part of these financial statements.

Notes to Financial Statements for the year ended 31 December 2018

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.1. Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

1.2. Fund accounting

The charity maintains a general unrestricted fund that is expendable at the discretion of the Trustees in furtherance of the objects of the charity. This fund may be held in order to finance both capital investment and working capital.

The policy in respect of the unrestricted designated fund is that the surplus from the annual conference, training days and other seminars will be available to fund such events in the future and will not be used for any other purpose.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the Board of Trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

There is no formal policy for transfers between funds.

1.3. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants received and specified by the donor as relating to specific accounting periods are deferred on an accrual's basis to the period to which they relate. Such deferrals are shown as creditors in the accounts.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Consultancy service income is recognised when the services are performed in accordance with the terms of the contract. GEM only undertakes consultancy contracts which are relevant to its charitable objects and will not adversely affect the delivery of its core activities.

Income from investments is included in the year in which it is receivable.

Royalty income is ascertained and recognised when royalty statements are received.

Income from conference, training days and study weekends is included in the period in which the conference, training day or study weekend takes place.

Membership subscriptions are recognised as received and released over the period to which they relate. The unexpired portion of members' subscriptions received at the balance sheet date is carried forward as deferred income.

1.4. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure incurred at the balance sheet date that relates to events taking place after the balance sheet date is carried forward as deferred expenditure.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. In respect of certain items of expenditure, it is a matter of judgement as to whether such items are direct charitable expenditure or are administrative, and the Trustees have applied what they consider reasonable judgements in apportioning such costs.

1.5. Royalty rights

Royalty rights are stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of one year.

1.6. Tangible fixed assets and depreciation

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

Fixtures, fittings and equipment - 33% straight line

Expenditure of a capital nature of less than £200 is not capitalised.

1.7. Current asset investments

Current asset investments are included at the lower of cost and net realisable value.

2. Income - charitable activities

	Unrestricted funds	Restricted funds	Year ended 31/12/18	Year ended 31/12/17
<u>Professional development</u>				
Annual conference	25,299		25,299	15,895
Training events	21,113	3,111	24,224	15,875
LSC grant- Arts Council England funded	<u>-</u>	<u>58,800</u>	<u>58,800</u>	<u>120,035</u>
	46,412	61,911	108,323	151,805
Publications	586	-	586	127
Member subscriptions	<u>42,003</u>	<u>-</u>	<u>42,003</u>	<u>42,753</u>
	<u>89,001</u>	<u>61,911</u>	<u>150,912</u>	<u>194,685</u>

3. Income- other trading activities

	Unrestricted funds £	Year ended 31/12/18 Total £	Year ended 31/12/17 Total £
Adverts, inserts web and royalty income	33,555	33,555	35,544
	<u>33,555</u>	<u>33,555</u>	<u>35,544</u>

4. Expenditure- costs of charitable activities

	Unrestricted funds £	Restricted funds £	Year ended 31/12/18 Total £	Year ended 31/12/17 Total £
Grants payable	2,027	-	2,027	(951)
Conference and course costs	28,755	-	28,755	18,963
Publication costs	-	-	-	12,459
Salaries, NI and pension costs	79,397	7,645	87,042	29,537
Office rent	6,600	-	6,600	6,600
Governance costs (Note 5)	3,849	-	3,849	1,846
Bank and credit card charges	1,941	-	1,941	1,369
IT, office and sundry costs	15,125	-	15,125	13,007
LSC Project expenses (excl.salaries)	-	95,020	95,020	77,647
	<u>137,694</u>	<u>102,665</u>	<u>240,359</u>	<u>160,477</u>

5. Governance costs

	Unrestricted funds £	Year ended 31/12/18 Total £	Year ended 31/12/17 Total £
Accountancy fees	800	800	750
Trustees' expenses and meeting costs	3,036	3,036	1,083
Annual return fees	13	13	13
	<u>3,849</u>	<u>3,849</u>	<u>1,846</u>

6. Employees

	Year ended 31/12/18 £	Year ended 31/12/17 £
Employment costs		
Wages and salaries	80,602	69,900
Social security costs	3,546	3,727
Auto-enrolment pension costs	2,894	682
	<u>87,042</u>	<u>74,309</u>

No employee received emoluments of more than £60,000 (2017: none).

Number of Employees

The average monthly numbers of employees (including the Trustees) during the year, calculated on the basis of full-time equivalents, was as follows:

	Year ended 31/12/18	Year ended 31/12/17
Trustees	8	6
Administrator (0.72 FTE), Education & Communications Mgr (1.0), Director (0.4), Finance Manager (0.4)	2.5	3
	<u>10.5</u>	<u>9</u>

7. Related party transactions

£6,600 was paid to John Stevenson, the former Chair, in respect of the rent of the GEM office premises.

8. Transactions with Trustees

The following costs were reimbursed to the trustees.

	Year ended 31/12/18 £	Year ended 31/12/17 £
Travel, hotel and subsistence	2,124	<u>685</u>

The Trustees were not paid any remuneration for the year ended 31 December 2018 or for the period ended 31 December 2017.

9. Intangible fixed assets

Royalty Rights

Cost

At 1 January 2018 and
At 31 December 2018

1

Provision for diminution in value

At 1 January 2018 and
At 31 December 2018

1

Net book values

At 1 January 2018 and 31 December 2018

-

10. Tangible fixed assets

Fixtures, fittings and equipment

Cost

At 1 January 2018
Additions

4,997
-

At 31 December 2018

4,997

Depreciation

At 1 January 2018
Charge for the year

4,996
-

At 31 December 2018

4,996

Net book values

At 31 December 2018

1

At 31 December 2017

1

11. Debtors

	2018	2017
	£	£
Trade debtors	2,067	2,440
Prepayments, stock and other debtors	450	450
	<u>2,517</u>	<u>2,890</u>

12. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	4,445	6,149
Creditors and accruals	5,839	6,571
Deferred income – subscriptions received in advance	-	418
	<u>10,284</u>	<u>13,138</u>

13. Restricted funds

	At	Incoming	Outgoing	Transfer	At
	01.01. 2018	resources	resources		31.12. 2018
	£	£	£		£
East Midlands Group	1,025			(1,025)	-
North East Group	185			(185)	-
Learning and Sharing Centre project fund	42,388	61,911	(102,665)	(1,634)	-
Total	<u>43,598</u>	<u>61,911</u>	<u>(102,665)</u>	<u>(2,844)</u>	<u>-</u>

The purpose of the *Learning and Sharing Centre* project, funded by the Arts Council England, was to meet the needs of today's workforce by equipping them with the skills they need. It also helped to ensure that GEM has a sustainable future. The project ran from October 2016 to March 2018.