

Charity Registration No. 1109555

Company Registration No. 01945780 (England and Wales)

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
COUNCIL MEMBERS' AND TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

LEGAL AND ADMINISTRATIVE INFORMATION

Members Of Council And Trustees	Cally Oldershaw FGA, DGA (Chair from 17 April 2012) Steve Collins FGA, DGA Brian Jackson FGA, DGA Richard Slater FGA, DGA Jason Williams FGA, DGA (co-opted 17th April 2012)
Secretary	Jack M Ogden PhD, FSA, FGA
Charity number	1109555
Company number	01945780
Principal address	27 Greville Street London EC1N 8TN
Registered office	Palladium House 1-4 Argyll Street London W1F 7LD
Auditors	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

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THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

The Gemmological Association of Great Britain has had a busy year in 2011. In this, my last annual report as Chairman, I am pleased to report a significant surplus for the third year in succession. This now more than compensates for the lean years mid-decade where the board had to make difficult decisions critical to the survival of the association. It is now well placed to deal with lease renegotiations in 2012, something which was uppermost in my mind when I took over as Chairman in 2009.

I can report that the association generated turnover of £1,581,927 in 2011, around 8% up on 2010. There is a combination of reasons for this. Globally our student numbers are up vindicating the updating of the foundation and diploma courses since 2008. Apart from daytime courses, numbers in the UK remain steady. Because of their intensive nature, the daytime courses are costly to provide though they represent good value compared to university courses and those offered by competitors. The end of 2012 will see new, more user-friendly ways of providing these courses which should increase their popularity and make it easier for students who travel from overseas.

The Far East continues to play an important role in our fortunes and it was pleasing to see on a recent trip to Hong Kong the high esteem in which we are held. The association is continually looking to strengthen its position in these ever more important markets and also to search out new opportunities for teaching and promoting gemmology.

Membership continues to remain level in spite of all diploma graduates being aware that they must be members to use the initials of their qualification. The board is looking at ways to normalize this situation and thus provide information and CPD to all graduates. The Journal of Gemmology and Gems & Jewellery are highly respected publications and plans are in train to increase circulation and readership.

Gemmological Instruments had a successful year in spite of changes to its accounting which reduced its profitability. My thanks go to Alan Clark for his hard work in making this possible.

I would also like to take the opportunity to thank Hayley Farr for her exceptional work with the accounts which have resulted in a smooth audit. Numbers have never been a strong point for the association and as some of you will remember they played a key role all those years ago in the decision to split from our parent the NAG. It is reassuring to the board to have reliable numbers available at short notice.

This report would not be complete without recognizing the work done by our CEO Dr Jack Ogden and our Director of Education Lorne Stather. They have steered our ship through turbulent waters in recent years and have been strenuous in their labours.

I am pleased to report that 2012 looks set to be an exciting year with strong enrolment levels and a fantastic opportunity in the form of a joint venture with a leading player in the USA. As I mentioned before, Gem-A has a lease renewal which will mean a major facelift and refit whether we stay in our current location or relocate. Add to this updates to our Diamond Course and translations of our other courses into several languages. It will be a busy time!

I would like to take this opportunity to thank the staff, members, tutors and examiners for their hard work and unwavering support during my time as Chairman. Finally the members of the board, a group that goes without praise, for giving their time and advice freely. I salute them.

James Riley

Chair

Dated: 1 March 2012

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

COUNCIL MEMBERS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The Members of Council and Trustees present their report and accounts for the year ended 31 December 2011.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with The Gemmological Association of Great Britain ("The Association")'s governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 15 August 1985 and amended to allow for Charity Status on 11 October 2005. It is registered as a charity with the Charity Commission.

Trustees are appointed as set out in the Articles of Association. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

The Members of Council and Trustees, who are also the directors for the purpose of company law, and who served during the year were:

James Riley (Chair)

Cally Oldershaw (Vice Chair)

Prof. Alan Collins BSc, PhD, DSc. FInstP, CPhys

Steve Collins FGA, DGA

Brian Jackson FGA, DGA

Steve Jordan FGA, DGA

Landy Palmer

Richard Slater FGA, DGA

None of the Members of Council and Trustees has any beneficial interest in the company. All of the Members of Council and Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The Association is administered by the board of trustees - 'The Council' - which may have up to 12 members. The board meets regularly and there are sub-committees and task groups covering specific governance or development issues that are constituted and which meet as required. A Chief Executive Officer is appointed by the trustees to advance the Charitable Mission of the Association and to manage its day-to-day operations. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and the development of activities and services.

The Association's wholly owned subsidiary, Gemmological Instruments Limited, provides books, equipment and sample gem materials, primarily to Members and students. Gemmological Instruments Limited may gift aid its profits to the Association.

The Members of Council and Trustees have assessed the major risks to which the Association is exposed. These cover financial, governance, operational and reputational risks. During 2011 The Members of Council and Trustees continued to work with the staff of the Association, to put in place management and operational procedures to mitigate these risks. The Council is investigating the options and obligations with regard to premises when the current lease ends in June 2012.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

COUNCIL MEMBERS' AND TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Objectives and activities

The Association's mission is 'to advance gemmology by education and the encouragement of best practices'. 'Gemmology' includes matters concerned with precious gem materials and the decorative and industrial arts which employ them, thus providing a wide remit within which the Association can develop its services.

Nevertheless, the main focus of the Association is to provide gemmological qualifications of the highest international reputation, namely the Diploma in Gemmology and the Diamond, with graduation providing eligibility as a Fellow of the Gemmological Association (FGA) or as a Diamond Member of the Gemmological Association (DGA) respectively. These are, of course, dependent on the syllabi defined by the needs of our graduates, a robust examination and assessment system commensurate with the status and reputation of these qualifications, and the support and mechanisms to encourage our Graduates to continue to maintain and develop their theoretical and practical expertise.

Information about our activities and achievements during the year can be found in the Chairman's Statement.

Achievements and performance

Public Benefit

During the year the Trustees had due regard to Gem-A's public benefit requirements as a Charity. The financial priority for the year was to continue improving the financial results started in 2009 and 2010 to allow the Association to best promote its aims. Gem-A continues to expand its education around the world both in areas with a large potential market for our education, including the United States of America, China, and in developing countries which need relevant gem education to help establish them, grow their gem markets and benefit the local economies and peoples.

The continued progress will also provide sufficient funding to best pursue the options when the current lease on the premises at 27 Greville Street, London ends in June 2012.

In London, Gem-A continues to hold evening lectures on a variety of gem and jewellery subjects, at nominal prices, which are open to the public, as well as taking part in gem shows and related events, some of which are open to the public and some of which include free seminars. In the UK outside of London, regional volunteer branches provided various educational events open to the public and at nominal prices. In Scotland Gem-A's affiliate 'The Scottish Gemmological Association' held events including their annual conference organised by volunteers, open to the public, and partly funded by trade and other sponsorship. Gem-A staff also contributed articles and information to other magazines dealing with ethical and gem-education issues, and served on various gem-related advisory bodies and committees.

In 2011 Gem-A continued to play an active part in CIBJO as well as industry bodies and European Standards meetings relating to developing guidelines and terminologies to benefit consumer confidence and to reduce the opportunities for fraud. This is coupled with Gem-A taking an active position in discussions relating to ethical and environmental aspects of gem supply chains.

Financial review

2011 saw a good financial result built on the ground work done in 2010, together with the increased educational support in 2011 for further expansion into the Asia Market. The Association's wholly owned trading subsidiary, Gemmological Instruments Limited, had a reasonable year and showed a profit.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

COUNCIL MEMBERS' AND TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a sufficient level to ensure that, in the event of a significant drop in funding, they will be able to continue the Association's current activities, cover any shortfall between income and expenditure and cover maintenance and repairs to its premises. The Trustees are endeavouring to maintain reserves and to put in place a strategy to increase them.

Asset cover for funds

Note 19 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Hazlems Fenton LLP be reappointed as auditors of the company will be put to the members.

On behalf of the board of Members of Council and Trustees

James Riley (Chair)

Council Member

Dated: 1 March 2012

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

STATEMENT OF COUNCIL MEMBERS' AND TRUSTEES' RESPONSIBILITIES

The Members of Council and Trustees, who are also the directors of The Gemmological Association of Great Britain for the purpose of company law, are responsible for preparing the Council Members' And Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of Council and Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Members of Council and Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The Members of Council and Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

We have audited the accounts of The Gemmological Association of Great Britain for the year ended 31 December 2011 set out on pages 8 to 21. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members of Council and Trustees and auditors

As explained more fully in the statement of Council Members' and Trustees' responsibilities, the Members of Council and Trustees, who are also the directors of The Gemmological Association of Great Britain for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Council Members' And Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

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 and Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records; or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company accounts 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.

Russell Tenzer FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

Chartered Accountants Statutory Auditor

Chartered Accountants
Palladium House
1-4 Argyll Street
London W1F 7LD

Dated:

Hazlems Fenton LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming resources from generated funds</u>					
Donations and legacies	3	1,067	-	1,067	4,456
Activities for generating funds	4	284,590	-	284,590	268,657
Investment income	5	138	-	138	126
		285,795	-	285,795	273,239
Incoming resources from charitable activities	6	1,581,927	-	1,581,927	1,458,037
Other incoming resources	7	-	-	-	(9,629)
Total incoming resources		1,867,722	-	1,867,722	1,721,647
<u>Resources expended</u>					
	8				
Costs of generating funds					
Commercial trading activities		188,867	-	188,867	263,857
Net incoming resources available		1,678,855	-	1,678,855	1,457,790
Charitable activities					
Membership costs		333,818	-	333,818	268,099
Education costs		1,116,926	-	1,116,926	934,125
Total charitable expenditure		1,450,744	-	1,450,744	1,202,224
Governance costs	8	32,088	-	32,088	37,940
Total resources expended		1,671,699	-	1,671,699	1,504,021
Net income for the year/ Net movement in funds		196,023	-	196,023	217,626
Fund balances at 1 January 2011		422,661	1,000	423,661	206,035
Fund balances at 31 December 2011		618,684	1,000	619,684	423,661

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

BALANCE SHEETS AS AT 31 DECEMBER 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Tangible assets	13	88,906	123,552	88,904	123,550
Investments	14	-	-	2	2
		<u>88,906</u>	<u>123,552</u>	<u>88,906</u>	<u>123,552</u>
Current assets					
Stocks		91,242	118,388	52,655	92,673
Debtors	15	271,193	165,747	314,634	243,697
Cash at bank and in hand		939,458	689,349	880,720	596,180
		<u>1,301,893</u>	<u>973,484</u>	<u>1,248,009</u>	<u>932,550</u>
Creditors: amounts falling due within one year	16	<u>(551,115)</u>	<u>(453,375)</u>	<u>(534,597)</u>	<u>(444,450)</u>
Net current assets		<u>750,778</u>	<u>520,109</u>	<u>713,412</u>	<u>488,100</u>
Total assets less current liabilities		<u>839,684</u>	<u>643,661</u>	<u>802,318</u>	<u>611,652</u>
Provisions for liabilities	17	<u>(220,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>
Net assets		<u>619,684</u>	<u>423,661</u>	<u>582,318</u>	<u>391,652</u>
Income funds					
Restricted funds		1,000	1,000	1,000	1,000
Unrestricted funds		618,684	422,661	581,318	390,652
		<u>619,684</u>	<u>423,661</u>	<u>582,318</u>	<u>391,652</u>

The accounts were approved by the Board on

.....
Cally Oldershaw FGA, DGA

Council Member

.....
Jason Williams FGA, DGA (co-opted 17th
April 2012)

Council Member

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

All incoming resources are included in the SOFA on an accruals basis. Income from education is recognised when the services are provided to the students and members. Donations and gifts are accounted for on a receivable basis only when the amount can be measured with reasonable certainty. Membership income is also recognised on an accruals basis. The trading company's turnover represents amounts receivable for goods and services net of VAT and trade discounts and is recognised upon the despatch of goods to customers.

1.3 Resources expended

All resources expended are recognised on an accruals basis.

Support costs are apportioned by analysing the level of administration time required by each activity.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Plant and machinery	Straight line over eight years
Fixtures, fittings & equipment	33.33% straight line and 20% reducing balance

Examination and Teaching Collections are not depreciated.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock represents gemstones, course notes and text books, and scientific and testing equipment, and is valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity during the year in accordance with FRS 17.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting Policies (continued)

1.9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.10 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used.

1.11 Basis of consolidation

The accounts consolidate the results of the charity and its wholly owned subsidiary, Gemmological Instruments Limited, on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Paragraph 397 of the Statement of Recommended Practice and section 408 of the Companies Act 2006.

1.12 FRS 8 exemption from disclosing intra-group transactions

The company has taken advantage of the exemption available in FRS 8, whereby it has not disclosed transactions with the ultimate parent company.

2 Financial activities of the charity

The financial activities shown in the consolidated statement include those of the charity's wholly owned subsidiary, Gemmological Instruments Limited.

A summary of the financial activities undertaken by the charity is set out below:

	2011	2010
	£	£
Gross incoming resources	1,670,247	1,452,990
Total expenditure on charitable activities	(1,450,744)	(1,202,224)
Governance costs	(28,837)	(34,440)
	<hr/>	<hr/>
Net incoming resources	190,666	216,326
Total funds brought forward	391,652	175,326
	<hr/>	<hr/>
Total funds carried forward	582,318	391,652
	<hr/> <hr/>	<hr/> <hr/>
Represented by		
Restricted income funds	1,000	1,000
Unrestricted income funds	581,318	390,652
	<hr/>	<hr/>
	582,318	391,652
	<hr/> <hr/>	<hr/> <hr/>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

3 Donations and legacies

	2011 £	2010 £
Donations and legacies	<u>1,067</u>	<u>4,456</u>
Donations and gifts		
Unrestricted funds:		
Donations and gifts	<u>1,067</u>	<u>4,456</u>
	<u>1,067</u>	<u>4,456</u>

4 Activities for generating funds

The Association's wholly owned subsidiary, Gemmological Instruments Limited, provides books, equipment and sample gem materials, primarily to Members and students. Gemmological Instruments Limited may covenant its profits to the charity.

A summary of the trading results is shown below:

	2011 £	2010 £
Turnover	284,590	268,657
Cost of sales and administrative costs	(267,117)	(267,357)
Covenant	(12,115)	-
	<u>5,358</u>	<u>1,300</u>
Retained in subsidiary		
The assets and liabilities of the subsidiary were:		
Fixed assets	2	2
Current assets	143,256	154,060
Current liabilities	(105,889)	(122,051)
	<u>37,369</u>	<u>32,011</u>
Total net assets		
	<u>37,369</u>	<u>32,011</u>
Aggregate share capital and reserves		
	<u>37,369</u>	<u>32,011</u>

5 Investment income

	2011 £	2010 £
Interest receivable	<u>138</u>	<u>126</u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Incoming resources from charitable activities

	2011	2010
	£	£
Membership income	241,684	257,070
Education income	1,340,243	1,200,967
	1,581,927	1,458,037

7 Other incoming resources

	Total	Total
	2011	2010
	£	£
Net loss on disposal of fixed assets	-	(9,629)

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2011 £	Total 2010 £
Costs of generating funds					
Commercial trading activities	-	-	188,867	188,867	263,857
Charitable activities					
<u>Membership costs</u>					
Activities undertaken directly	-	-	168,922	168,922	142,781
Support costs	127,541	10,056	27,299	164,896	125,318
Total	127,541	10,056	196,221	333,818	268,099
<u>Education costs</u>					
Activities undertaken directly	-	-	629,610	629,610	494,956
Support costs	372,619	29,381	85,316	487,316	439,169
Total	372,619	29,381	714,926	1,116,926	934,125
	500,160	39,437	911,147	1,450,744	1,202,224
Governance costs	15	-	32,073	32,088	37,940
	500,175	39,437	1,132,087	1,671,699	1,504,021

Governance costs include payments to the auditors of £7,795 (2010: £13,500) for audit fees and £nil (2010: £5,500) for other services.

Governance costs also include bank charges of £18,489 (2010: £18,940).

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

9 Activities undertaken directly

Other costs relating to membership costs comprise:

Rent and rates	33,757	33,244
Cleaning	4,331	4,294
Light and heat	1,593	1,532
Insurance	6,378	5,913
Repairs and maintenance	5,464	1,696
Telephone	2,058	1,949
Advertising	4,960	3,747
Printing, postage and stationery	7,746	7,538
Subscriptions	986	1,136
Travel	7,740	4,267
Publication costs	69,906	58,927
Conference costs	23,176	17,857
Honorarium	827	681
	168,922	142,781

Other costs relating to education costs comprise:

Rent and rates	98,624	77,570
Insurance	18,649	15,596
Light and heat	5,202	4,135
Cleaning	12,653	10,364
Repairs and maintenance	15,962	3,958
Telephone	6,244	4,841
Advertising	14,491	8,743
Printing, postage & stationery	17,910	12,808
Subscriptions	2,881	2,650
Travel	22,612	9,957
Freight & carriage	804	487
Direct materials and teaching costs	413,478	336,525
Field trips	-	7,322
General expenses	100	-
	629,610	494,956

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Support costs

	Membership costs £	Education costs £	Total 2011 £	Total 2010 £
General Management and Administration	27,299	85,316	112,615	118,325
Staff costs	127,541	372,619	500,160	404,062
Depreciation	10,056	29,381	39,437	42,100
	<u>164,896</u>	<u>487,316</u>	<u>652,212</u>	<u>564,487</u>

11 Members Of Council And Trustees

None of the Members of Council and Trustees (or any persons connected with them) received any remuneration during the year. Minor travel expenses were reimbursed to trustees.

During the year the following trustees received income from the Charity: Cally Oldershaw received examiner's fees of £2,026 (2010: £1,648), Brian Jackson received examiner's fees of £1,632 (2010: £1,411) and James Riley received consultancy fees of £2,250 (2010: £nil).

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2011	2010
	Number	Number
Education lecturers and administration	6	6
Membership administration	1	2
General administration	6	4
	<hr/> 13 <hr/>	<hr/> 12 <hr/>

Employment costs

	2011	2010
	£	£
Wages and salaries	426,133	348,086
Social security costs	44,693	37,247
Other pension costs	29,349	18,729
	<hr/> 500,175 <hr/>	<hr/> 404,062 <hr/>

The number of employees whose annual remuneration was £60,000 or more were:

	2011	2010
	Number	Number
£60,000 - £70,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

Of the employees whose emoluments exceed £60,000, 1 (2010: 1) have retirement benefits accruing under defined contribution pension schemes.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

13 Tangible fixed assets

Group	Examination and Teaching Collections £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2011	77,013	56,147	323,255	456,415
Additions	-	-	4,791	4,791
At 31 December 2011	77,013	56,147	328,046	461,206
Depreciation				
At 1 January 2011	-	56,145	276,718	332,863
Charge for the year	-	-	39,437	39,437
At 31 December 2011	-	56,145	316,155	372,300
Net book value				
At 31 December 2011	77,013	2	11,891	88,906
At 31 December 2010	77,013	2	46,537	123,552

Company	Examination and Teaching Collections £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2011	77,013	56,147	288,017	421,177
Additions	-	-	4,791	4,791
At 31 December 2011	77,013	56,147	292,808	425,968
Depreciation				
At 1 January 2011	-	56,145	241,482	297,627
Charge for the year	-	-	39,437	39,437
At 31 December 2011	-	56,145	280,919	337,064
Net book value				
At 31 December 2011	77,013	2	11,889	88,904
At 31 December 2010	77,013	2	46,535	123,550

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

13 Tangible fixed assets

(continued)

The Charity owns a library of books, which has not been included in the accounts. On 28th July 1992, the Council of Members valued this library at £100,000.

The Charity also owns a collection of gems which has not been included in the accounts which was valued at £100,000 by the Council of Members on 28th July 1992.

The trustees feel that at 31 December 2011 each of these collections are worth not less than the £100,000 valuations of 28th July 1992.

The Council of Members feel that there would be no benefit to the Charity in incurring costs to revalue the collections.

14 Fixed asset investments

Company

Shares in
group
undertakings
£

Market value at 1 January 2011 and at 31 December 2011

2

Historical cost:

At 31 December 2011

2

At 31 December 2010

2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Gemmological Instruments Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principle Activities	Capital and reserves	Profit/(loss) for the year
	£	£
Gemmological Instruments Limited	37,369	5,358

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Debtors	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	209,783	107,363	164,279	74,187
Amounts owed by group undertakings	-	-	89,371	113,126
Other debtors	935	3,462	508	1,462
Prepayments and accrued income	60,475	54,922	60,475	54,922
	271,193	165,747	314,634	243,697

16 Creditors: amounts falling due within one year	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	44,342	54,755	38,930	50,580
Taxes and social security costs	25,112	9,264	17,006	4,514
Accruals	54,754	38,573	51,754	38,573
Deferred income				
Education fees in advance	409,194	333,628	409,194	333,628
Laboratory and members subscriptions	17,713	17,155	17,713	17,155
	551,115	453,375	534,597	444,450

17 Provisions for liabilities

Provisions for liabilities relates to potential dilapidation costs on the expiry of the lease on the premises in 2012.

18 Pension and other post-retirement benefit commitments Defined contribution

	2011	2010
	£	£
Contributions payable by the company for the year	29,349	18,729

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

19 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2011 are represented by:			
Tangible fixed assets	88,906	-	88,906
Current assets	1,300,893	1,000	1,301,893
Creditors: amounts falling due within one year	(551,115)	-	(551,115)
Provisions for liabilities	(220,000)	-	(220,000)
	<u>618,684</u>	<u>1,000</u>	<u>619,684</u>

Company	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2011 are represented by:			
Tangible fixed assets	88,904	-	88,904
Investments	2	-	2
Current assets	1,247,009	1,000	1,248,009
Creditors: amounts falling due within one year	(534,597)	-	(534,597)
Provisions for liabilities	(220,000)	-	(220,000)
	<u>581,318</u>	<u>1,000</u>	<u>582,318</u>

20 Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011 £	2010 £
Expiry date:		
Within one year	57,306	-
Between two and five years	-	114,613
	<u>57,306</u>	<u>114,613</u>