



Directors' Report 2010

NOTICE OF A MEETING

Notice is hereby given that the 19th Annual General Meeting of the Gauge 0 Guild Limited (the 55th Annual General Meeting of the Gauge 0 Guild) will be held at the Telford International Centre, St Quentin's Gate, Telford on Sunday, 5th September 2010 at 13.00hrs for the following purposes;

1. To receive apologies for absence.
2. To approve the minutes of the 18th Annual General Meeting held on 6th September 2009. (Matters arising from these minutes should be notified to the Secretary in writing not less than 7 days before the meeting).
3. To receive the Annual Report of the Council from the Chairman of the Guild.
4. To receive the Directors' Report.
5. To receive the Annual Accounts and Accountants Report.
6. To appoint the Accountant and authorise the Directors to fix his remuneration.
7. To receive the nominations and/or elections results of the Constituency Representatives. To appoint the Council of Management.
8. To consider resolutions put before the Secretary by Saturday 19th June 2010.
9. To appoint Vice Presidents.
10. To appoint 'Orders of Merit'.
11. To appoint an Honorary Life member.
12. To receive the President's address.
13. To consider any other business considered relevant by either the Chairman of the meeting or a majority of the members present.

John Bizley (13376) 18 Rowhedge Road, Old Heath, Colchester, Essex, CO2 8EL.

- Admission to the meeting will be on production of a valid membership card.
- Any member entitled to attend and vote may appoint a proxy to attend on his/her behalf and vote in a poll. The instrument appointing a proxy and any authority under which it is executed shall be deposited with the Secretary not less than 7 days before the time of the meeting i.e. before 13.00hrs on Sunday 29th August 2010.

DIRECTORS' REPORT 2010

The Directors present their report with financial statements of the company for the year ended 28th of February 2010.

Principal Activities

The principal activities of the company in the year under review were to promote and advance railway modelling in scales and gauges associated with the designation '0'. Special attention was paid during the year to providing sponsorship to a number of '0' gauge groups and continuing to review the way in which the Guild is managed with a view to ensuring fair representation of views and efficiency in the use of resources.

Directors

Directors during the year under review were:

President Chris Simpson appointed 7th September 2008

Chairman Sandy Harper appointed 2nd September 2007

Secretary John Bizley appointed 7th September 2008

Treasurer Graham Sheppard appointed 9th September 2006

Other Directors

Nigel Smith appointed 2nd September 2007

Nick Baines appointed 9th September 2006

Mike Marritt appointed 2nd September 2007

Bruce Pinchbeck appointed 8th September 2006

Barry Sumsion appointed 2nd September 2007

Sandy Gorski appointed 7th September 2008

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The Gauge 0 Guild Ltd.

The minutes of the 18th Annual General meeting of the Gauge 0 Guild Ltd, (The 54th A.G.M.). Held in the Pattingham Suite of the Telford International Exhibition Centre, St Quentins Gate Telford Shropshire, on Sunday 6th September 2009.

Present: Chris Simpson President and Chairman of the meeting.
Sandy Harper Guild Chairman.
Graham Sheppard Guild Treasurer.
John Bizley Guild Secretary.
Martin Long Minute Taker.

The president declared the meeting open at 13.32 and welcomed the attendees.

There were 48 members in attendance. In addition 124 valid proxy votes were held and the President declared that the meeting was quorate.

On the matter of the use of the proxy votes the Secretary explained that under the rules any such votes should be notified to him 7 days prior to the meeting.

AGM 01/09 Apologies for absence were received from:-

Professor Snelling	6750	Dr. W.R. Brown	1615
George Conway	3436	P. L. Buck	11085
John May	550	K. Sheale	1661
Robert John Essery	4057	Cecil Bradley	8730
Joseph Edward Roberts	4442	John Shelley	10539
Tim Schofield	3081	B Verden	16880
Derek Mundy	8765	Martin Cheshire	474
Geoff Roberts	7242	John Flower	6899
John Evans	1657	Nigel Smith	9571
George Davidson	577	Peter Bevan	3266

AGM02/09 Minutes of the last A.G.M

The Secretary pointed out that the references to "Auditors" in the minutes should be replaced by "Accountants" as it was not a requirement for the Guild accounts to be audited. He further advised the meeting of three typographical errors. The Treasurer pointed out that notwithstanding this lack of audit, the accountants carried out a diligent and searching review of the accounts which was an audit in all but name.

Mike Bootman (15165) pointed out that the proposer of item 05/08 was George Davidson and not George Davis as recorded. He also mentioned that questions relating to the Guild's VAT position had not been fully recorded.

The Treasurer then gave a comprehensive review of the VAT position saying that a full inspection by HMRC had been done in July 2008. As a result, there had been some Events account back-VAT due, and in the Membership account the rate of VAT would hitherto be calculated each year, based on actual cost v income. All the outstanding VAT issues had been fully resolved.

Mike Bootman then asked about the Guild and the Data Protection Act which he felt had been missed from the minutes. The President said this topic would be discussed later in the meeting.

The motion to accept the minutes with the above alterations was put to the meeting. Proposer Steve Hoather (683) Seconded Dan Glading (2755) Carried without dissent.

AGM03/09 Chairman's Annual Report

The chairman said this had been circulated to members and offered to take questions. There being none it was proposed by the President that this be accepted and Seconded by Derek Fox (14375). Carried without dissent

AGM04/09 Director's Report

The Secretary pointed out two spelling mistakes that had escaped his notice. There being no questions on this, it was proposed that the Directors Report be accepted. Proposed by Steve Hoather (683) Seconded by Martin Bloxson (1444). Carried Without dissent.

AGM05/09 Annual Accounts and Accountants Report

The Treasurer said that the report and accounts had been circulated to the membership and he was happy to take questions on this. He mentioned that in the light of the recent bank crisis, he had done a great deal of work to protect the Guild's assets by spreading the risk over several banks. This had been successful however the result was the low interest returns now being experienced. A recent notification from one bank showed that the rate was 0.07%!

The Guild was in a good financial state and membership recruitment was steady. The Treasurer was sure that the future was maintaining a high standard of the Gazette and putting on high quality shows. He assured members that the Board took their responsibilities seriously and were risk averse as far as member's assets are concerned. The administration was much better now that Artytype had taken the role of record maintenance and support. He also pointed out that the subscription would rise in 2010 by £2 which was less than the price of a pint! This had been agreed two years ago, and put on hold, but was now necessary to maintain financial viability.

Ian Kirk (10784) asked about the Artytype relationship. Was a contract in existence and is it reviewed regularly to ensure best value for money?

The Treasurer responded by pointing out that Artytype provided excellent value for money and continued to do so. The situation is monitored regularly and he felt their commitment to the Guild was absolute. There was no formal contract and the whole business was done on the basis of mutual trust.

John Hobden (20762) asked what would happen if there was a fire or some other incident at Artytype's premises. What was the contingency plan?

Barry Sumsion (14597) assured the meeting that there was a contingency plan.

The Treasurer mentioned various business risks to the Guild. For example what if Guildex was to fail due to unforeseen circumstances. He pointed out that these types of events were insured against.

John Hobden mentioned that he was happy that contingency plans existed.

Roger Ashcroft (2658) expressed the view that a formal contract with Artytype should exist which sets out the basis of the relationship and the services to be delivered.

Bary Sumsion asked what form this contract should take. Artytype are doing so many activities for the Guild that it would be difficult to formalise them all contractually.

The President commented that a very good relationship existed with Artytype.

Ian Kirk (10784) made the point that contracts were specific. He felt that the Guild work should be put out to a regular tender process to ensure there was "value for money". He felt the Board had the responsibility to ensure that the membership always had best value out of any activity.

John Kneeshaw (5699) felt at the very least there should be a service level agreement in place. The Guild gets high quality service and this should be formalised.

The President agreed that the Guild does have good service and there are no problems with the present relationship.

Mike Bootman (15165) asked how the services were charged. He felt that an agreed schedule of costs for each type of event should be in place so that all charges were fully transparent. Value for money would be self evident.

The Treasurer commented that he felt it was better to work on the basis of mutual trust. He said that every invoice from Artytype was fully detailed as to charges and the work they related to.

Derek Fox (14375) reminded the meeting of the old adage "if it ain't broke don't fix it".

The discussion ended the proposal to accept the report was moved by the Treasurer and seconded by Roy Payne (8410). Carried without Dissent.

AGM06/09 Appointment of Accountants

The treasurer reported that he was happy with the service provided and proposed that the Accountants continued in office with remuneration to be agreed by the Board. Seconded by Colin Curtis (10140). Carried Without Dissent.

AGM07/09 Election of Board members to the Council of Management

Each nominee was put to the meeting and all members were accepted and appointed as follows.

Chairman Sandy Harper

Other Directors	Nigel Smith	Sandy Gorski
	Nick Baines	Mike Marritt
	Bruce Pinchbeck	Barry Sumsion

Votes in the room and proxies were cast as follows:-
For 167 *Against* 3 *Abstentions* 2. Motion Carried.

AGM08/09 To consider and if thought fit to pass a special Resolution for a revision of the Articles of Association as laid out in appendix 1 of the Directors Report.

The Secretary outlined the background to these as part of the ongoing review of the Articles and Rules by Ian Kirk, Mike Marritt, Steve Hoather and himself.

Votes in the room and proxies were cast as follows:
For 172 *Against* 1 *Abstentions* 1. Motion Carried.

AGM09/09 To consider and if thought fit pass a Special Resolution for a revision of the Rules as laid out in appendix 2 of the Directors Report.

Mike Bootman (16165) commended the work done so far and suggested to save time the changes were taken as read.

Seconded by Ian Kirk (10784). The proposal was carried without dissent.

Votes in the room and proxies were cast as follows:
For 169 *Against* 2 *Abstentions* 1. Motion Carried

Dan Glading asked if the membership could be advised on the work in progress on this matter. Ian Kirk assured the meeting that the working group has decided to keep the members informed of progress via both the News sheet and the Website.

AGM10/09 To receive the results of the elections for Constituency Representatives:-

As none of the constituencies have nominated more than one candidate there is no requirement for an election the list of nominations are as follows:-

Area No.	Area Name	Post Codes	Representative
1	Scotland	AB,DD,DG,EH,FK,G,IV, KA,KW,KY,ML,PA,PH,TD.	Cecil Bradley
2	North West	BB,BL,FY,CA,LA,M,OL,PR, SK,WN	Ian Maconachie
6	East Midlands	DE,DN,LE,LN,NG,S.	Nelson Keen
7	Eastern	CB,CM,CO,EN,IG,IP,NR,PE, RM,SS.	John Hobden
8	London & Home Counties	HA,E,EC,N,NW,SW,WC,RG, SL,TW,WA.	Tim Schofield
9	Chilterns	AL,HP,LU,MK,NN,OX,SG,WD.	James Aitken
11	Wessex	CR,GU,KT,PO,SO,SM.	Philip Reid
12	S. Wales & Avon	BA,BS,CF,GL,HR,LD,NP,SA,SN	Steven Neill

Nelson Keen, Tim Schofield and Steven Neill have all been co-opted to serve for the following year

Overseas Members Representative Roger Harmer

Ray Ashworth will be assisting Ian Maconachie as Ian will be absent from time to time and has indicated that he wishes to step down sometime during his tenure.

AGM11/09 To appoint Orders of Merit

The President informed the meeting that 2 awards had been proposed. One was for service to the Guild made by Colin Curtis who had over many years served in several posts. Now his health did not permit him to do as much as he would like. The Guild Chairman Sandy Harper presented Colin with an inscribed plaque and thanked him for his efforts over the years.

A further special award was to have been made to Chris and Janet Thorn however they had not renewed their membership.

AGM12/09 To appoint Honorary Life Membership to Ken Neale

Mike Marritt Circulated a copy of his nomination recommending Honorary Life Membership for Ken Sheale. Mike outlined Ken's efforts over the years. Ken has served the Guild in many roles. However his major contribution has been the Technical Manual which is much valued by the membership. Ken joined the Guild in 1960 and has been active ever since. A letter from Ken accepting the honour was read out by the President. Due to family commitments Ken was unable to be present but sent best wishes to all.

The proposal was carried unanimously.

AGM 13/09 To consider items of Any Other Business

Martin Bloxham (1444) asked did the Guild write expressing sympathy to Mrs Heard on the passing of Paul. The President said that a suitable condolence had been conveyed to Mrs Heard.

Derek Fox (14375) commented that he had been in touch with a model railway magazine editor who was concerned as to the competition for readers at the moment. The editor had made the point that he was glad the *Gazette* was not generally available as it would make a serious contender!

Mr. W. Hook (2522) thought that members should be logged on entry to the meeting. He also felt that the officials table should be closer to the membership as he was unable to hear all that was said.

Several members commented that they felt that logging the attendees was a futile process and served no purpose. It was only necessary to validate the attendees were members.

Mr Hook also wanted a breakdown of the attendees as to who were Visitors and who were Traders or Exhibitors.

John Hobden (20762) felt such a distinction would serve no useful purpose and failed to see why it could be considered desirable. The President stated that all attendees were members, and thus entitled to be there and to vote; no other differentiation was necessary.

Mike Bootman (16165) asked about the Data Protection aspects of membership records etc. He felt that at the moment we may not be fully compliant with the requirements of the Act. The Secretary took the point that this needed to be looked into. However, Mike clearly knew a lot about the Act and its implications and asked Mike if he was prepared to assist in this? Mike agreed to do this to general applause.

Martin Bloxsom (1444) asked if future meetings could start earlier. The President accepted the point.

AGM14/09 To receive the Presidents address President's report.

1. It was a great honour to be asked, then to be elected your President, and I continue to feel somewhat humble. A remark was made to me at the time that there wasn't really much to do, only to chair the AGM. This presumably was to encourage me, but I feel may send a wrong signal, and I hope there is not a common misconception. Being a member of the Board and Council of management is a responsibility which needs full attention; it is not, as inferred, a part time job.

2. It would be nice to report that in my first 12 months everything went well, which is generally the case, despite the current state of the nation, but there were some delicate issues to deal with:

When dealing with traders, the Guild has consistently offered advice to the membership, through an in depth article in the Spring 2006 *Gazette*, and subsequent reminders in the Guild News; and of course the guest editorial in the latest *Gazette*. More of which later.

After a model shop proprietor was convicted of stealing models, a number of our members felt that the Guild had not done enough to warn them of his activity, and we regret that some members did lose models, without recompense.

There was also a complaint where second-hand goods were misleadingly described, in the Guild news, and again a member lost out.

There has recently been a suggestion that some traders' may be infringing the intellectual Property Rights of others.

The Guild has strongly stated that none of these actions has ever been condoned by the

Guild; however members must realise that it would be prejudicial to the Guild were it to defame an individual's character in the absence of a proven case. This is the dilemma the management often find themselves in.

The guest editorial in the last *Gazette* was not received well in some quarters. This is a pity because all our efforts are to try and assist the members to make a reasoned judgement, using common sense, when dealing with traders. The Guild cannot go further or become directly involved in a dispute over trading.

The fact is that the vast majority of traders are totally above reproach, and provide an excellent standard of service to our members.

3. In this enlightened age, we can communicate and send messages to each other instantly via a number of methods. Quite often there will be postings on the Forum, which accuse, criticise, or infer Guild policy, without full knowledge of all the facts. Such postings can immediately attract further ill informed comment, and before long a mountain suddenly needs to be climbed to try and bring the situation back to normal.

This Board has always welcomed comments, questions, and constructive criticism. There is no aspect of the Guild management that cannot be discussed with/by the members. But please establish the facts first by going through the appropriate Guild contacts before making comment. A telephone call or e-mail to the appropriate officer or committee chairman may resolve your issue quicker than waiting for a response on the Forum.

4. There have been recent suggestions that the Guild should strengthen its control, by imposing standards on manufacturers, and by acting as a consumer organisation. This I feel is beyond the remit of the Guild, and would be unworkable within the structure that presently exists. Members' responses to the various reviews held in the recent past have shown that they want their Guild to remain a Club and don't want to expand it any further than it already has down the formal company route. This is a view that the Management accepts. The 'Company limited by guarantee' nature of the Guild is exactly right, and should not be changed.

The Guild exists to help members with their choices and with their modelling. Anything autocratic could lead to dissension, conflicts of interest and rifts.

5. While I have the floor, I'd briefly like to mention one further topic that is a perennial (and I do mean, briefly). Age profile; it is what it is. Let's not worry about it. I intend to get older and further distort that statistic.

6. I must of course mention railway modelling in my address. In the words of a trader who contacted me recently, "0" gauge has never had more going for it". He then went on to complain about something! Ah well!

Despite recent prophecies of doom, the range of kits, R.T.R, and accessories, continue to grow. Standards, quality and choice are improving all the time, and even older products are re-emerging under new ownership, some with improvements, (not always the case however). The downside of this of course is, as mentioned to me recently by one of our early members, "I think the Guild is losing it's relevance for me". We have to remember that, 53 years ago, the stalwarts who created the Guild only wanted a few basic products.

7. This leads me to my closing remarks. Having stated the degree of responsibility in my opening remark, I have observed your Board and Council in operation over the last 12 months, and I can honestly say that the team (for that is what they are) are hard working and diligent and have the best interests of the Guild at heart. I consider the Guild to be in good hands. Remember they have all been recruited from the membership, are active modellers themselves, and all have a common interest in ensuring that the Guild will continue to provide a quality service to its members in the years to come.

The first year has flown past, and I look forward to the next 12 months.

The President then thanked the individuals who had carried out specific duties on behalf of the Guild, and gave a general thank you to the volunteers who unstintingly helped the Guild through the year.

The President closed the meeting at 15.05.

AGM – Chairman's Report for the year 2009-10

I am pleased to report to members that the Guild has had an excellent year and has been successful in achieving its main objectives despite the difficult conditions prevailing in this country and elsewhere.

Four excellent editions of the *Gazette* have been produced on time and within budget. Two very successful one day trade shows, along with our annual convention, have been staged by the Events team, again within budget. The use of the website continues to grow at around 18% annually with the Forum and traders pages each attracting around six and a half thousand visits every month. The DVD/video collection has added 3 new programmes and supplied 300 DVD's to members. Total membership was recorded at 5964, still slightly short of the magic 6k, and 13 less than the total for 2008/09. The Executor and Trustee service continues to grow and the Bring and Buy team have been in demand at our three shows. The Modellers Help Desk is growing in popularity and will be expanded in future years to cover other skills.

The Guild has been involved as sponsors of two other single gauge shows at Bolton and Bristol where members and modellers in both the North West and South West of England were able to enjoy the benefits of a large one day show, meeting traders and having access to the array of goods on offer.

The Bolton show was in collaboration with the Association of Larger Scale Railway Modellers and it is pleasing to report the excellent co-operation that now exists between the two groups to the benefit of all '0' gauge modellers. The Bristol event was in association with the Bristol 0 Gauge Group, who have taken the bold step of promoting their provincial event to a fully fledged regional '0' Gauge show. They are to be congratulated on their efforts. The Council of the Guild are very keen to develop further links with local groups in this way.

At the beginning of the year we were faced with so many uncertainties about the financial viability of the banking system, including the bank used by the Guild, that we took the unusual step of spreading our reserves around different banks, in an attempt, to protect them from any losses. We were fortunate not to be affected by any serious problems and by the end of the reporting period we had returned to using our main bank. Interest rates remain abysmally low and this has had a detrimental effect on our income from reserves. On the positive side, our reserves have enabled us to negotiate free banking.

Members' annual subscriptions had remained at the same level for 3 years despite an average annual 3% inflation during that time. The Guild had managed to absorb the increases but it was felt that it was not sustainable to continue to do this, hence an increase in the subscription level was implemented from 2010/11. Although a minus figure for national annual inflation was reported in September 2009 some of our major costs are not included in the Government's 'basket' of prices when calculating the rate. Paper costs have risen significantly as have our show venue costs, although they are still at advantageous prices. It is not planned to seek a further increase in Subscriptions for the foreseeable future.

I wish to express my grateful thanks to our band of willing and hard working volunteers who generously give up their time to help run the Guild. They are too many to mention individually but without them we would not benefit from the variety of services that we are able to offer. I should also like to take this opportunity to thank the staff at Artytype for their continued support, enthusiasm and dedicated partnership in the provision of administration services throughout the past year.

Finally, to you the members, a big thank you for your support and encouragement throughout the year which has made my role such an enjoyable experience.

Sandy Harper
Chairman

TREASURER'S ANNUAL REPORT 2009/10

This has been an uncertain and challenging year, but against the backdrop of a global recession we have come out of it very soundly. I reported last year that we had spread our reserves in order to spread the risk, with the uncertainty of bank survival. In doing this we had to sacrifice interest of the magnitude we had enjoyed, but safety had to be the first priority. Now that Natwest Bank is under-written by HM Government we have moved our funds back with them where not only is the interest more favourable, but there is also an opportunity to radically reduce our bank charges if we maintain pre-agreed cash levels in our accounts.

The fall in income this year from bank interest has been stark, from over £6k last year, to a mere £72 this, despite greater cash reserves. We have seen a reduction in subscription income, and also in *Gazette* advertising, possibly reflecting the current market. Overall, income on the year is down by just under £8000 and expenditure up by £11k, but material, postage and banking costs have risen sharply, and account for most of this increase. Notwithstanding, our operational expenditure is considerably lower than last year, having introduced spending constraints from the start of the year, and strengthened them in the final quarter.

Our working balance for the year is a surplus of just under £15k. Modest, but solidly on the right side of the line.

The £2.00 increase in subscriptions is fully vindicated, and having held it off for three years, it was ultimately implemented none-too-soon. I make no apology for having planned ahead, with 2016 in mind, but for those who were concerned that a lavish celebration was on the cards, they can rest assured that the 2016 Account is no more. We do have a contingency fund however which I hope will give my successor the means to confidently plan and provision whatever might be the order of the day through his tenure. In the meantime I stand prepared to serve for my third and final term, ie until 2012.

I commend Artytpe, our business partners for their excellent involvement in Guild administration; various transitions occurred within the year and they all went very smoothly. I also commend my fellow Directors for their support, co-operation and personal example in keeping costs down. I also wish to thank my co-Treasurers for their sterling work, on the Membership and Events account, year after year

This coming year will probably be an even greater test of financial resources, but like all other great organisations in this country, we shall be frugal and forward-thinking.

Graham Sheppard
FCIEH, CMIOSH
Treasurer

THE GAUGE O GUILD LIMITED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28th FEBRUARY 2010

	Note	28.02.2010	28.02.2009
TURNOVER	1	237,941	245,880
EXPENDITURE	1	223,148	212,382
OPERATING SURPLUS (DEFICIT)			
(before Taxation)	2	14,793	33,498
Taxation	3	12	1,266
OPERATING SURPLUS			
(after Taxation)	2	14,781	32,232
RETAINED SURPLUS brought forward		158,057	125,825
RETAINED SURPLUS carried forward		172,838	158,057

BALANCE SHEET AS AT 28th FEBRUARY 2010

	Note	28.02.2010	28.02.2009	
Fixed assets				
Tangible assets	4	225		142
Investment		1		1
Current assets				
Stock	5	350	441	
Debtors and pre-pays	6	19,809	23,039	
Cash at bank/in hand		277,693	258,469	
		297,852	281,949	
Creditors				
Amounts falling due within one year	7	125,240	124,034	
Net current assets		172,612		157,914
Total assets less current liabilities		172,838		158,057
Accumulated fund		172,838		158,057

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2010. The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2010 in accordance with Section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which 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 company as at the end of each financial year and of its profit or loss 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 company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements were approved by the Board of Directors on

On behalf of the Board
Sandy Harper, Chairman
 Approved by the Board on 3rd July 2010

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 28th FEBRUARY 2010

These notes form part of the financial statements.

1. ACCOUNTING POLICIES

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).

Turnover

Turnover represents subscriptions, investment income and sales of publications, goods and services, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Assets other than office equipment 25% on cost

Office equipment 33 1/3% on cost

Stock

Stock is valued at the lower ended of cost and net realisable value making due allowance for obsolete/slow moving items and those not for resale.

2. OPERATING SURPLUS

The operating surplus/deficit is stated after charging:

	28.02.2010	28.02.2009
Depreciation – Owned Assets	253	405

3. CORPORATION TAX

Corporation tax arises this year on 21% of interest on investments and will amount to £ 12.00

4. TANGIBLE FIXED ASSETS

	Display Stands & equipment	Office Equipment	Totals
Cost			
At 1 Mar 2009	12,152	34,353	46,505
Additions	0	336	336
At 28 Feb 2010	12,152	34,689	46,841
Depreciation			
At 1 March 2009	12,152	34,211	46,363
Charge for year	0	253	253
At 28 Feb 2010	12,152	34,464	46,616
Net Book Value			
At 28 Feb 2010	0	225	225
At 28 Feb 2009	0	142	142

5. STOCK

	28 Feb 2010	28 Feb 2009
Items for resale	350	441
Secondary Publications	000	000
	<u>350</u>	<u>441</u>

6. DEBTORS AND PREPAYMENTS

Amounts falling due within one year	28.02.2010	28.02.2009
Gazette Advertising	1,625	4,445
Other debtors and accrued income	18,184	18,594
	19,809	23,039

7. CREDITORS: Amounts falling due within one year

	28.02.2010	28.02.2009
Amounts received in advance	119,279	114,028
VAT	3,345	6,140
Taxation	15	1,265
Amounts owed to Group undertakings	1	1
Accrued expenses	2,600	2,600
	161,987	124,034

The notes form part of these financial statements

THE GAUGE O GUILD LIMITED

REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF THE GAUGE O GUILD LIMITED

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company for the year ended 28 February 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 company and the company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 28 February 2010 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year. We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Vale and West, Chartered Accountants
Victoria House, 26 Queen Victoria Street
Reading RG1 1TG

Dated 2nd July 2010

GAUGE O GUILD LTD
 Draft Income & Expenditure Statement for the Year Ended 28th February 2010
 These notes do not form part of the statutory accounts and are for the
 Membership's benefit only.

	2009 -10		2008-9
INCOME			
Goods	2,761		1,865
Video sales	684		677
Spring Show	14,432		14,458
Summer Show	11,780		11,845
Guildex	42,797		46,472
Gazette Advertising	27,132		31,417
Subscriptions	116,197		122,106
Donations	11,906		2,954
E & T commission	9,200		7,786
Bank interest	72		6,051
Sundry	980		249
Investment interest & gains	Nil		Nil
EXPENDITURE			
Purchases	648	2,109	
Events – show costs	75,328	66,958	
Video service costs	163	300	
Publications costs	70,994	65,529	
Room hire	1,196	2,100	
Repairs/maint	Nil	Nil	
Telephone/ fax/ internet	1,047	606	
Postage	11,656	11,024	
Insurances	2,411	1,040	
Other Printing	12,620	5,093	
Consumables & Sundry	3,552	2,192	
Travel,subsist ,accomm	8,016	12,512	
Advertising	1,757	3,384	
Banking costs	3,630	3,881	
Accountancy	2,859	3,079	
Legal & professional	Nil	Nil	
Artytype admin	15,734	17,550	
E&T operating costs	6,206	9,560	
E&T Storage	3,125	3,480	
Grants / Donations	1,953	1,580	
Depreciation	253	405	
Sub total	223,148	237,941	212,382
Corporation tax	12		1,265
	223,160	213,647	245.880
Surplus	14,781		32,233

ANALYSIS OF EXPENSES

These notes do not form part of the statutory accounts and are for the Membership's benefit only.

	Totals	Board & Council	M&GP	Publications	Technical	Events	E&T
Video costs	163		163				
Consumables	4,051	216	391		570	2,874	
Meet/Venue hire	41,061	1,576			420	38,705	360
Layouts	6,376					6,376	
Demonstrators	1,555					1,555	
E&T Storage	3,125						3,125
Artytype admin	15,734	3,084	3,900	4,350		4,400	
Badges/tickets	2,356					2,356	
Repairs/maint	Nil						
Tel/fax/Internet	1,047	300	747				
Postage- admin	11,656	2,385	3,750	2,273	325	2,750	173
Gazette prod'n	45,511			45,511			
Gazette p&p	25,483			25,483			
Insurance	2,411	330				1,735	346
Other printing	12,620	960	5,100	4,755		1,805	
Purchase of stock	540		540				
Van hire	1,623					496	1,127
Travel/mileage	11,305	1,657	3,075	865	485	4,173	1,050
Subsistence	7,037	1,183	1,470	80	485	2,729	1,090
Accommodation	19,042	3,460	760	295	380	12,927	1,220
Advertising	1,757			1,757			
Grants/donations	1,953	750				1,203	
Banking costs	3,630	1,230	1,200				1200
Accountancy	2,859	2,859					
Legal/professional	Nil						
Depreciation	253	253					
Total before tax	223,148	20,243	21,096	85,369	2,665	84,084	9,691
Corporation tax	12						
Total after tax	223,160						

The Guild Executor and Trustee Service

PROFIT AND LOSS A/C FOR THE YEAR ENDED 28.2.2010

	£
Balance B/fwd at 01/03/2009	42,344.85
Sales from Estates	73,602.52
Receipts from equipment bequeathed to Guild	9,190.50
Paid to Estates	-65,201.09
	59,936.78
Less prior year balance	-42,344.85
Less due to widows	-2,197.14
Gross surplus	15,394.79
VAT to pay	1,216.72
Net surplus	14,178.07
Deduct running costs	9,691.55
Actual balance (surplus)	4,486.52

Expenses paid to Directors 2009-10

C Simpson	363.20	
S Harper	536.26	+ 243.29 Video library costs
J Bizley	200.67	
G Sheppard	578.77	+ 60.00 Companies House registration fees
B Sumsion	240.41	
M Marritt	552.30	
N Baines	433.96	
N Smith	Nil	
B Pinchbeck	3057.03	Includes E&T running costs
S Gorski	1067.03	Includes TLO travel
Total	£ 7332.92	
2008-9 was	£ 8369.79	
2007-8 was	£11,968.00	

Appendix 1 Resolution for revision of the Guild rules.

The work carried out by the Rules Working Group, and by Mike Marritt and Ian Kirk, identified those changes necessary to resolve inconsistencies with current practice, and also advised where full democracy was not provided for by current rules. Accordingly the President has collated those changes which are needed to resolve the issues, and the following is a complete package which make the rules fit for purpose. The Council recommends the following changes to the rules. There are 19 proposed amendments. Note these revisions do not require amendments to the Articles of Association. For clarity, proposed changes are shown in bold italics.

3.5 The Board shall have power to rescind the membership of any person. Any person whose membership is rescinded, pursuant to this clause, shall have the right of appeal to members of the Council *who were* not party to the original decision to rescind the membership. (A.3D)
(Meaning not changed. A minor clarification “ who were” added as indicated.)

3.6 A member may, at any time, withdraw from the Company by giving at least seven days *written* notice to the Company. Membership shall neither be transferable nor refundable. Membership shall cease on death. The Company may assist, at the discretion of the Board, in the disposal of the former member's railway effects for the benefit of the estate. (A.3E)
(Added the word ‘written’. It gives the Guild a record)

3.8 Every member of the Company, while he or she is a member or within one year after he or she ceases to be a member, undertakes to contribute to the assets of the Company, in the event of the same being wound up, such amount as may be required, not exceeding £10, for payment of the debts and liabilities of the Company, contracted before he or she ceased to be a member, and *for* the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves. (M.6 ad)
(Grammatical correction. The word ‘for’ in place of ‘of’, relating to costs.)

4.1.3 A member, normally resident in the United Kingdom appointed by the Board who shall represent the interests of members not normally resident in the United Kingdom. **A.4(c)**.
(Removed reference to Article A.5, which is not relevant. Should be Article 4 (c))

4.3.4 *If it is deemed by Council to be in the interests of the Company to retain the services of a Director beyond these terms, this shall be submitted as a resolution to an Annual General Meeting.* (This is a new rule allowing retention of valuable and willing officers, by agreement of the membership at AGM)

4.4.1 The Directors shall be nominated by the Council following recommendation from the Board and appointed in Annual General Meeting. They shall be eligible to serve for a period not exceeding 6 years consecutively. On appointment, a Committee Chairman shall cease to be a Constituency Representative. (The above wording replaced by the following, which allows totally democratic election.)
The Directors shall be appointed at an Annual General Meeting following a vote of members present (plus proxies) from the candidates nominated in accordance with rule 4.4.2. Council may indicate preferred candidates. They shall be eligible to serve as defined in rules 4.3.1, 4.3.2 and 4.3.3. On appointment a Committee Chairman shall cease to be a Constituency representative.

4.4.2 *The Secretary shall notify the membership of Directors retiring by rotation, and shall arrange for a notice to be published inviting suitable candidates for consideration by Council, prior to any appointment at a General Meeting.*
(New rule, increasing democracy)

4.5.2 The members resident in each Constituency shall elect one Constituency Representative to serve for a period of 3 years. No Constituency Representative shall be eligible for more than 2 further periods, consecutively, *unless it is agreed by resolution at AGM that a Constituency Representative may serve an additional year.*
(If it is in the Guild's interest to extend the term for a Con. Rep., this change allows for an additional year, by agreement of the membership at AGM.)

4.6.1 Both the Council and the Directors may delegate any of their powers *to committees*, which shall comprise:-
(Typographical correction. To committees was all one word)

4.9.1 A constituency Representative who cannot attend a meeting may, with the agreement of the Council nominate a deputy to attend in his stead to report on his behalf, and he may provide a proxy to the secretary for any vote.

(This is a new provision to help avoid Council meetings becoming ineffective in the event they are non quorate. We have got very close to this recently.)

Directors may nominate only a fellow Director to deputise at a meeting in their absence, but not to vote for them.

(Follows the above, for Directors.)

4.13 The Council may propose that a member of the Guild, in recognition of outstanding service, be made a Vice- President. Such a proposal shall form part of the Notice of the next Annual General Meeting and be put to the vote thereat. Vice-Presidents shall be 'ex-officio' members of the Council, **being able to attend and speak by invitation of the Council**, but not vote at its meetings, nor shall they be included in the quorum of any meeting of the council.

(A change to regularise the attendance of VP's at Council meetings)

5.4 A candidate may not represent more than one constituency at any given time, nor shall he present himself for election in more than one constituency at any given time.

(Deleted. Was a para. preventing con reps from representing more than one constituency. We need the freedom to be able to combine constituencies, if necessary.)

6.1 The Treasurer shall be responsible for the funds of the Guild and shall keep such accounts as are necessary. **The treasurer may be assisted by a financial book keeper who has been approved by the Board.**

(Added the provision to elicit professional assistance for the Treasurer.)

6.3 On cheques, withdrawals and other payments for sums below a limit determined by the Board, and for electronic transfers **only** between accounts in the name of the Company held in the same Bank or Building Society the signature of a signatory authorised by the Board (**normally the Guild Treasurer**) will suffice. Cheques, withdrawals and other payments for sums greater than this limit shall be signed by two signatories from among those authorised by the Board, one of whom must be a Director of the Company. **(Introduced a level of authority for the Treasurer to act autonomously on our behalf. Also recognised the possibility of electronic transfers but solely within the group of Guild accounts, within the same bank.)**

6.4 The Guild's financial year shall run from the first day of March to the last day of February. The Treasurer shall present to the Annual General Meeting an Account of Income and Expenditure and a Balance Sheet for the previous financial year, together with **the Auditor's report accounts check report from the Guild's nominated company of Accountants.**

(Change to allow accountant's check report rather than auditor's report. We don't require an audit.)

6.6 The Accounts shall be checked by the Accountancy firm appointed at the Annual General Meeting. (As above a change from Auditor to Accountant.)

7.5.3 To receive the Annual Accounts and **Accountant's** Report. (Was Auditor)

7.5.6 To Appoint the **Accountant**. (Was Auditor)

8.1 The business of both the Council and the Board shall be conducted in accordance with the Rules and **any** current Code of Practice approved by the Council. **(Introduced reference to 'any Code of Practice' We will introduce or change these as circumstances require.)**

The Council agreed on these changes at their last meeting on 25 June 2010 and recommends to all members that they vote in favour of them; they will be presented to the AGM as a single resolution, to avoid an unduly protracted process

The Gauge 0 Guild Ltd

I.....
of (address).....

A member of the above Company, hereby appoint
of address.....

or failing him/her the Chairman of the Meeting (i.e.) the Guild President as my proxy to vote in my name and on my behalf at the Annual General Meeting of the company to be held on 5th September 2010 and any adjournments thereof. This form is to be used in respect of the resolutions mentioned below as follows:

Resolution 1	To approve the minutes of the Annual General Meeting held on the 6th September 2009	For	Against
Resolution 2	To receive the Annual Accounts and the Accountant's Report	For	Against
Resolution 3	To appoint the Accountant and authorise the Directors to fix his remuneration	For	Against
Resolution 4	To appoint Council of Management Treasurer Graham Sheppard Secretary Raymond Walley President Peter Bevan Other Directors Nigel Smith Bob Alderman Mike Marritt Bruce Pinchbeck Barry Sumsion Richard Clark	For For For For For For For For For	Against Against Against Against Against Against Against Against Against
Resolution 5	To consider and if thought fit, to pass a Special Resolution, for the revision of The Rules as laid out, in Appendix 1	For	Against
Resolution 6	To appoint Nelson Keen as a Vice-President	For	Against
Resolution 7	To award an Order of Merit to Martin Bloxsom	For	Against
Resolution 8	To award an Honorary life membership to Nigel Nelson	For	Against

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Unless otherwise instructed, the proxy may vote as he/she thinks fit, or abstain from voting.

Dated this day of2010

Signed Membership.....

Please return proxy vote in envelope provided to keep your information confidential.

