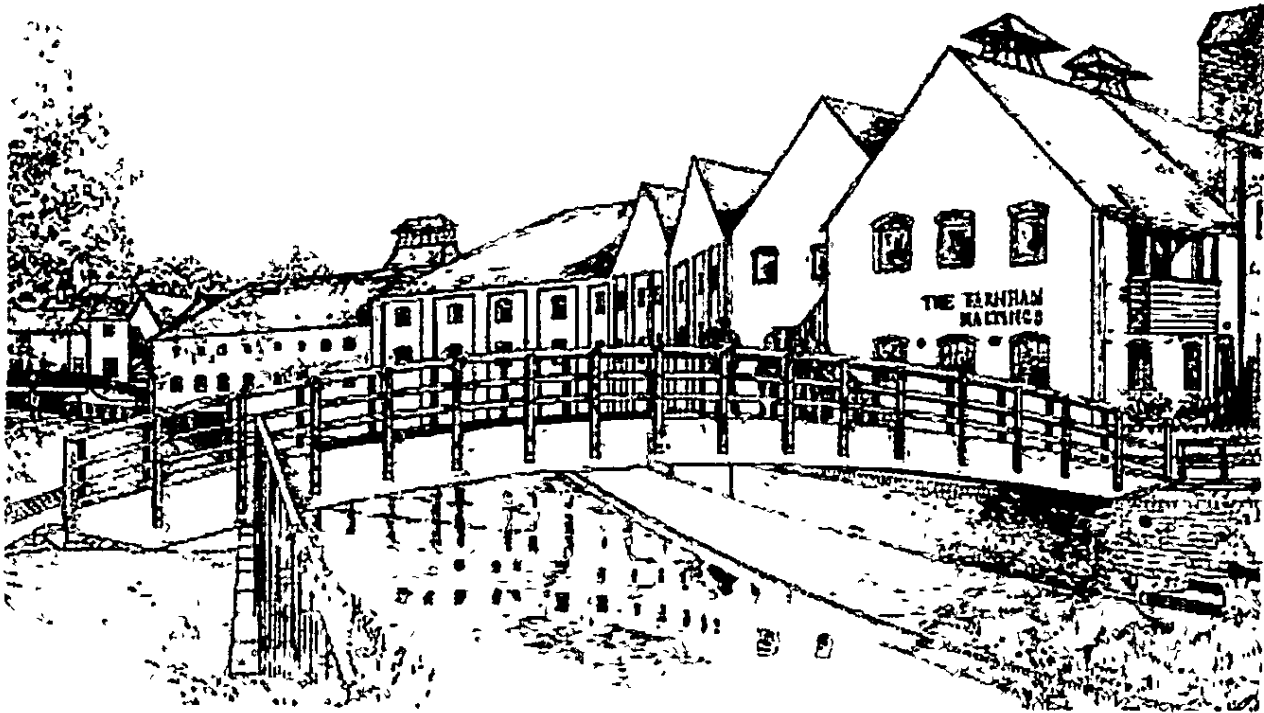


farnham **maltings**

Company Limited by guarantee Registered No. 954753



FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

**REGISTERED CHARITY NUMBER 305034
REGISTERED COMPANY NUMBER 954753**

THURSDAY



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COMPANIES HOUSE

FARNHAM MALTINGS ASSOCIATION LIMITED

YEAR ENDED 31 MARCH 2012

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YEAR ENDED 31 MARCH 2012

CHARITY INFORMATION

President

Mr P A Greenyer

Trustees

Mr A H Baxter	(Chairman)
Mr B A Cox FCA	(Treasurer)
Mrs K Gerrard	(Vice Chair)
Dr J Beer	(appointed 12 November 2011)
Ms L James	
Mr A Mason	
Ms D McMinn	
Dr K Mey	
Mr J Montes	
Mr D Seall	
Ms B Smith	
Mr S Williamson	

Nominee members of the Council of Management

Cllr R Steel	(Nominee, Farnham Town Council)
Ms D Le Gal	(Nominee, Surrey County Council)
Ms C Gardiner	(Observer, Waverley Borough Council)
Cllr J Potts	(Nominee, Waverley Borough Council)

Registered office

The Maltings
Bridge Square
Farnham
Surrey
GU9 7QR

Registered charity number

305034

Registered company number

954753

Chief executive

Mr G Stride

Company secretary

Mr B A Cox

Auditors

Blue Spire South LLP
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

Barclays Bank Plc
22 The Borough
Farnham
Surrey
GU9 7NH

YEAR ENDED 31 MARCH 2012

REPORT OF THE TRUSTEES

The trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 31 March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

Farnham Maltings Association Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association. The company was incorporated on 22 May 1969. It registered as a charity with the Charity Commission on 13 January 1970.

The charity is managed by a Council of Management which has not less than eight nor more than seventeen members. Voting members are recommended by a selection panel and elected by the membership at an AGM. Voting members retire in rotation, with one-third retiring each year, and they are not available for re-election after a period of five years service. Up to four non-voting members are appointed by the Council of Management from nominations by the main funders (Arts Council, Waverley Borough Council and Farnham Town Council). Arts Council do not wish to nominate a representative on Farnham Maltings Council of Management, but request copies of minutes and papers.

The current Trustees and those who have been appointed or retired during the year 2011/12 are as listed under Charity Information (page 1).

In accordance with the Articles of Association, one third of the elected trustees are subject to retirement by rotation each year.

The Articles of Association provide for non-voting Members of Council who are not trustees of the charity – those who have been appointed to the Council in that capacity are as listed under Charity Information (page 1).

New trustees are given a briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Council of Management and the decision making processes, the business plan and the financial position of the charity. On appointment they are given a chance to meet senior employees and other trustees. The Trustees and nominee members of the Council of Management hold a periodic 'away day' to discuss their role, and the aims and objectives of the organisation. Trustees are encouraged to study the range of governance guidance papers we have available.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 10 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The Council of Management administers the charity, and meets quarterly. There are sub-groups covering finance and resources. New sub-groups are formed as necessary to administer key projects such as capital development and fundraising. The Chief Executive is appointed by the Trustees to manage the day to day operations of the charity.

The Trustees of the Maltings have reviewed the risk management policy, and have initiated a risk management strategy which comprises

- An annual review of the risks the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan
- The implementation of those procedures designed to minimise any potential impact on the charity should those risks materialise

This work has resulted in better emergency procedures and contingency plans, and has given the impetus for better planning for risks arising from fire, health and safety of artists and audiences, and food hygiene.

Related parties

The charity has close working relationships with the Arts Council, Waverley Borough Council and Farnham Town Council who together provide substantial funding to enable the charity to carry out its charitable activities. Further information regarding transactions with related parties can be found in note 10 of these financial statements.

YEAR ENDED 31 MARCH 2012

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

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. Farnham Maltings relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of its activities for those on low incomes.

The objectives of Farnham Maltings Association as stated in the 1969 Memorandum of Association are

a To establish community centres for the benefit of the inhabitants of the Town of Farnham aforesaid and the neighbourhood, without distinction of sex or political, religious or other opinions, for the advancement of education and the provision of facilities, in the interests of social welfare, for recreation and leisure-time occupation, with the object of improving the conditions of life for the said inhabitants

b To promote and encourage the arts among the said inhabitants, including the musical, visual, dramatic, cinematic and applied arts

c Generally, to encourage, promote, undertake or carry on or assist the promotion, undertaking or carrying on of such charitable activities and purposes as may strengthen the bonds of community life of the inhabitants aforesaid or otherwise be beneficial to the community within the Town of Farnham and neighbourhood aforesaid

Farnham Maltings is a creative organisation that works with artists to enrich the quality of life of the towns and villages of South East England. During the past year we have organised our work around a series of strategies in pursuit of our ambition to ensure that Farnham remains a happy, safe and creative community capable of supporting an organisation that enriches the cultural offer for the region. These strategies are

- Investing resources and expertise in new theatre,
- Supporting artists with bespoke business advice,
- Increasing participation in the arts,
- Developing the marketplace for art,
- Supporting the range of community users of the buildings,
- Ensuring Farnham Maltings is well resourced and championed by entering into partnerships locally, nationally and internationally

Activities at the Maltings

In addition to managing the physical assets of the Maltings so that the most people are encouraged to participate in community and arts activities we have taken additional responsibility for the Museum of Farnham in the belief that this will offer new opportunities. Over the past year we have focused our energies on three strands of activity – theatre, crafts and supporting new artists, both amateur and professional. We deliver seasonal programmes of events and workshops from the Maltings encompassing a wide range of interests, including a festival programme which attract a broader, more diverse audience. The digital programme has also proved valuable in attracting and retaining a core audience. The recent refurbishment of the Great Hall will allow us to start the process of building a theatre audience as we continue to explore how we increase users, improve standards and identify operational efficiencies.

We offer a range of community organisations a subsidised user's rate and work towards continued improvement in the quality and range of services offered from the Maltings which allow us to increase and sustain a range of cultural activity in a community in which rents and land values would normally preclude creative endeavour.

As well as providing services in Farnham we have continued to work with partners to deliver a range of services across the borough and region. Working in partnership with Waverley BC, the Arts Partnership, British Council, Surrey Arts partnerships and Brighton Dome have all variously allowed us to deliver arts services across the borough and region. We continue to manage the Old Fire Station in Godalming as start-up units and support the management of Cranleigh Arts Centre as a way of encouraging the most people to make the best art that they can.

Volunteers

Volunteers assist in the running of the Maltings in the following areas

Gardening	Stewarding	Membership
Marketing	Administration	Archive

YEAR ENDED 31 MARCH 2012

Volunteers are managed by staff members, and are given safety and operational training. New volunteers are welcomed.

ACHIEVEMENTS AND PERFORMANCE

This has been a good year in terms of repositioning how and what Farnham Maltings can deliver both locally and regionally. We have thought anew about our value to the town and how we might work with others to better distribute theatre across the region. Through all of this we have rebuilt the organisational structure of the business so that we have a strong and evolving management team with delegated responsibility for strands of work. The results have exceeded our expectations with the Arts Council of England confirming a major increase in funding – during a period of austerity – so that we can support the ambitions of programmers across South and Eastern England. At the same time Waverley Borough Council has confirmed a three year Service Level Agreement with additional responsibility for ensuring the museum thrives. It now behoves us to use this three year period to build the case for the value and capabilities of the Maltings.

We have a strong and evolving staff team who we continue to invest in recognising, as we do, that it is this team that is our primary resource.

Some of the other key achievements of the past 12 months include

Artistic Quality

Theatre

- built a new programme of theatre for Farnham Maltings' audiences
- hosted 26 theatre residencies and investing in 5 new commissions
- Made and produced *For One Night Only* by Oladipo Agboluaje which toured nationally
- Produced and toured *Little Bulb's Operation Greenfield* nationally
- Produced and toured *The Marvellous and Unlikely Fete of Little Upper Downing* rurally with Little Bulb Theatre, toured to 28 rural venues
- Promoted 32 performances across South East and developed the activity, infrastructure and brand of house
- Strengthened the stable of companies – Little Bulb Theatre, Stopgap, Dancing Brick, Victoria Melody, Hiccup and Analogue as an actively produced group of south east companies
- Delivered 3 caravan 2012 training symposiums in Brighton, Bristol and Salford, built support for caravan 2014 and 2016
- Developed our relationships with international companies and organisations through Fadjr Festival, PuSh and Theatre Passe Muraille
- Built support for and developed a new international production with Iran, British Council and Visiting Arts
- Supported 20 companies with initial advice sessions
- Ran a round of *No Strings Attached* that invested in 7 new companies
- Hosted a one year puppetry residency in collaboration with Puppet Centre Trust, Bristol Old Vic & mac

Craft

- Managed 30 workspaces in Farnham Maltings and at the Old Fire Station in Godalming
- Offered 5 marketplace opportunities for makers, provided the venue for a number of externally organised craft events
- Commissioned four new pieces of craft for *unravel 2012*
- The number of makers represented in our shop doubled to 47 and turnover increased by 57%
- Strengthened relationships with the craft sector and a bid is being developed to encourage craft engagement between the military and civilian communities in Rushmoor with a particular focus on the Nepalese
- 837 artists subscribed to our 'supporting artists' information service and we supported the Jewellery & Silver smith network
- Festivals, including festival of crafts, *unravel*, gardening, food and vintage, attracted an audience of 10,399
- Remodelled artist in residency programme to provide space for studio makers. Ceramics workshop programme grew by 30%
- *Making Surrey* was delivered on time and within budget to eight disadvantaged communities across the county, reaching 2.5k participants and an audience of over 11k
- The notion of Farnham as a craft town has taken shape and a Crafts Council symposium on the subject was hosted at the Crafts Study Centre

YEAR ENDED 31 MARCH 2012

- Maintained a relationship with the Crafts Council following delivery of the Hothouse Programme Provided the venue and a speaker for a Crafts Council professional development day aimed at recent graduates Developed a proposal to launch a series of 'Maltings Maker' networks in various craft disciplines
- Maker Rhian Solomon became our first associate maker and has worked with staff & the community to enrich and develop the festival and workshop programme Pnnt-maker Andrew Morrison joined the team and created a series of cards for Farnham

Other

- Managed the network of youth theatre across Waverley
- Delivered the Waverley Youth Arts Festival in partnership with Waverley which engaged over 50 young people in workshops and performances over 6 weeks
- Built the workshop programme to a series of 30 sets of workshop activities
- 25 artists will be supported through our workshop package programme
- Introduced a public giving programme for Farnham Maltings including legacy leaflet and donations box

Financial sustainability

Partly on the insistence of ACE we have worked at ensuring that Farnham Maltings is self-sustaining as an organisation In effect the buildings are self-funding – in fact they contribute to the ambition ACE's investment, as with Waverley's is for specific programmes of work This model, which has required a huge amount of enterprise and entrepreneurship, sets the business fair for the future That said, we benefit enormously from the enrichment that the ACE work brings in terms of the quality of people we can recruit and the conversations we have access to The buildings still need investment, perhaps always, and the local authority budgets are continually under pressure We need to ensure that we are seen to play an essential role for the borough if we are to sustain their investment

Membership

The Membership scheme was re-launched in July 2010 under the supervision of a volunteer Membership Secretary New rates and revised administration have boosted membership income and identified true membership figures The support of local businesses offering discounts to members has strengthened the offer and a steady increase in membership take-up is anticipated

Material Investments

Farnham Maltings invests any surplus generated in the business, improving its core business facilities and programming

Factors within and outside our control

The primary factors not in our control are the current down turn in the economy and the continuing pressure on Local Authority expenditure We have sought to mitigate against these threats by increasing our 'value' to Farnham and Waverley and diversifying our funding partnerships

FINANCIAL REVIEW

In 2005 the Trustees set up their Finance and Resources Group to monitor and review the charity's finances The committee meets quarterly to make ongoing recommendations to the Council of Management

Reserves Policy

The level of free reserves, which under Charity Commission criteria exclude restricted funds and amounts represented by fixed assets, was a deficit of £198,205 as at the year end Within its fixed assets, however, the charity holds the cottage, valued at £240,000, which is not used for operational purposes by the charity and can be used as security for borrowing This is therefore regarded by the Council of Management as part of the available reserves, leaving a residual reserves surplus of £41,795 This has arisen from a shortfall in fundraising in earlier years for the South Wing refurbishments and will be corrected by further fundraising activity

The Council of Management consider that the desired level of residual reserves is currently £100,000, being £20,000 to cover the loss of a major funder for one year and £80,000 to cover retention of key staff and alternative accommodation for six months if the Maltings is required to close because of fire or other major occurrence The Council recognise that some causes of closure may be covered by insurance but nevertheless regard this as a prudent reserves level

YEAR ENDED 31 MARCH 2012

Fixed assets

In the opinion of the Trustees, the market value of the freehold property owned by the company is considerably in excess of the book value

Principal Funding Sources

The principle funding of Farnham Maltings operations is sourced from income arising one third from facilities hire and promoted events, one third from Maltings events, and one third from grants (including restricted funds, and grants from Waverley Borough Council and Farnham Town and Arts Council

Detailed figures are given in note 3 to the accounts at the rear of the Annual Report

Future Plans

Self evidently we need to deliver on the expectations placed upon us by our two main funders and retain our audiences' affection and support We need to deliver on the museum, ensuring that it attracts more visitors and re-energises its purpose We need to ensure that house quickly establishes itself as key part of the cultural infrastructure as an expression of shared ambition and distributed leadership

We are well placed to build on the first three editions of caravan and plan how we move on internationalising all our thinking We have a plan for 2013, the resources for caravan 2014 and an evolving relationship with BC At the same time our newly funded European partnership to support new circus makers will strengthen our international networks

We will continue to work with others – through co-productions and commissions But, importantly, we intend to make two of our own shows in 2013

We intend to further our work with and through the crafts – mainly through the arts partnership and other funding sources but will look for joint ambition with ACE for the crafts

We have outlined below much of the detail of our activity plans for 2012/13, which remain the same as those described in our funding agreement

Showcases & Marketplaces

- establish Caravan as a key component of the national theatre ecology, increase the value placed on caravan by companies, and build the quality and range of international delegates, presenting 15 English companies to 60 international and national delegates and achieving 50% of companies showcased being booked internationally and nationally by 2015
- act as host for and support the successful delivery of house
- attract audience of 1600 and 90 stands to unravel 2013 at FM
- increase applications to festival of crafts by 10%, attract audience of 1800
- increase turnover of shop Maltings by 50% & showcase 10 new makers and host 12 craft or art events of regional or national value

Programming new work

- report to regional, national and international partners on the ambitions of house to reinvent touring and identify potential partners
- host 1 major residency and 1 regional tour by an international company as part of the Interreg funded new circus project
- programme the following as part of Maltings presents
 - 27 satellite broadcasts
 - 12 classical recitals
 - 30 folk, roots, world, acoustic music events
 - 16 comedy events
 - 60 film screenings
- present 26 theatre productions including at least 2 from our produced/ associate companies and 10 children's theatre productions
- programme 6 exhibitions in spaces at the Maltings

Producing & Commissioning

- produce one company including a site-specific production, 10 company meetings, 1 funding application and 3 year business plan

YEAR ENDED 31 MARCH 2012

- support 5 associate companies providing a minimum of 16 weeks rehearsal space at a supported artist rate across the year and a total commissioning investment of £15,000
- make and tour In Praise of Elephants to rural communities in spring 2012
- monitoring quality of productions by achieving 70% of positive Arts Council peer assessments
- build unravel 2013 to include 3 new commissions
- co-commissioning 3 new pieces of work and/or productions including investment in 1 associate company new production
- develop and fundraise for the role of craft producer

Nurturing Artists & Makers

- make a minimum of 6 awards to young artists based in the south east as part of our no strings attached grant scheme and arrange a minimum of 2 hours mentoring sessions with successful applicants, achieve an 80% completion rate of proposed projects, achieve a 70% satisfaction rating from participants
- provide initial advice and assessment for an estimated 20 companies as part of our open door policy

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Farnham Maltings Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

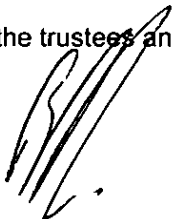
In so far as the trustees are aware

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

APPOINTMENT OF AUDITORS

The charity's auditors, Blue Spire South LLP, have expressed their willingness to continue as auditors to the charity. A resolution proposing Blue Spire South LLP be reappointed will be put forward at the AGM of the charity

Approved by the trustees and signed on their behalf



Brian Cox
Company Secretary

Date 22 October 2012

YEAR ENDED 31 MARCH 2012

Independent Auditor's Report to the members of Farnham Maltings Association Limited

We have audited the financial statements of Farnham Maltings Association Limited for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2012, and of its 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.

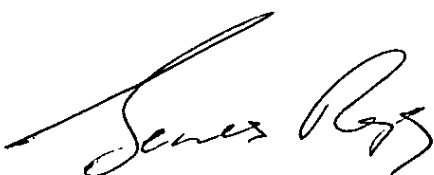
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



James Ragg LLB FCA DChA, Senior Statutory Auditor
For and on behalf of Blue Spire South LLP, Statutory auditors

Date 22/1/12

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

YEAR ENDED 31 MARCH 2012

STATEMENT OF FINANCIAL ACTIVITIES (INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	1	16,822	-	16,822	13,604
Activities for generating funds	2	227,928	-	227,928	216,796
Investment income		43	-	43	358
Incoming resources from charitable activities					
	3	1,101,969	205,962	1,307,931	1,256,512
Other incoming resources					
		-	-	-	-
Total incoming resources		1,346,762	205,962	1,552,724	1,487,270
RESOURCES EXPENDED					
Charitable activities					
	4	1,255,675	272,731	1,528,406	1,455,629
Governance costs					
	6	4,665	-	4,665	6,590
Total resources expended		1,260,340	272,731	1,533,071	1,462,219
Net Income/(expenditure)		86,422	(66,769)	19,653	25,051
TRANSFERS					
Gross transfers between funds					
	18	14,601	(14,601)	-	-
Net movement in funds		101,023	(81,370)	19,653	25,051
RECONCILIATION OF FUNDS					
Total funds brought forward	18	1,037,406	218,149	1,255,555	1,230,504
Total funds carried forward	18	1,138,429	136,779	1,275,208	1,255,555

None of the charity's activities were acquired or discontinued during the above two financial years

The notes on pages 13 to 18 form part of these financial statements

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities

YEAR ENDED 31 MARCH 2012

BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,336,634		1,336,634
CURRENT ASSETS					
Debtors	12	78,891		82,908	
Cash at hand and in bank		<u>244,877</u>		<u>276,856</u>	
Total current assets		323,768		359,764	
CURRENT LIABILITIES					
Creditors amounts falling due within one year	13	<u>380,948</u>		<u>299,851</u>	
Net current assets/(liabilities)			(57,180)		59,913
Total assets less current liabilities			<u>1,279,454</u>		<u>1,396,547</u>
Creditors amounts falling due after more than one year	14		(4,246)		(140,992)
Net assets/(liabilities)			<u><u>1,275,208</u></u>		<u><u>1,255,555</u></u>
THE FUNDS OF THE CHARITY					
Restricted funds	18		136,779		218,149
Unrestricted funds					
Designated funds	18	120,774		10,444	
General funds	18	<u>1,017,655</u>		<u>1,026,962</u>	
Total unrestricted funds			1,138,429		1,037,406
Total charity funds	18		<u><u>1,275,208</u></u>		<u><u>1,255,555</u></u>

The notes on pages 13 to 18 form part of these accounts

Approved by the trustees and signed on their behalf



Mr A H Baxter
Chairman of Trustees

Date 22 October 2012

Company number 954753

YEAR ENDED 31 MARCH 2012

PRINCIPAL ACCOUNTING POLICIES**Basis of Preparation**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006

Incoming Resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- a) The donor specifies that the grant or donation must only be used in future accounting periods or
- b) The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned as the related services are provided. Grant income included in this category is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when admission fees or performance related grants are received in advance of the event to which they relate

Resources Expended Policy Notes

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises which results in the payment being unavoidable

- Costs of generating funds are those incurred in attracting voluntary income
- Charitable activities include expenditure associated with the staging of concerts, stage productions, exhibitions and educational programmes and include both the direct costs and support costs relating to these activities
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources

Volunteers and Donated Services & Facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report

Where services are provided to Farnham Maltings as a donation that would normally be purchased from a third party, this contribution is recognised in the financial statements at an estimate based on the value of the contribution to the charity

Tangible Fixed Assets with a useful economic life of more than one year

Assets costing £5,000 or more are capitalised at cost

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows

<u>Category</u>	<u>Annual rate</u>
Freehold property	Not depreciated
Car park improvements	Not depreciated
Motor Vehicles	50%
Furniture, equipment and fittings	10-33 3%

The freehold property and car park are not depreciated since the Directors consider that given the high level of maintenance any depreciation charge would be immaterial. An impairment review confirms this

YEAR ENDED 31 MARCH 2012

Funds Structure

The Trust has a number of restricted funds to account for situations where a donor requires that a donation must be spent for a particular purpose or where grants have been made for a specific purpose. All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 18.

Operating leases

Costs in respect of operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

YEAR ENDED 31 MARCH 2012

NOTES TO THE FINANCIAL STATEMENTS

1 Voluntary income

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Subscriptions	10,405	-	10,405	8,753
Legacies and donations	6,417	-	6,417	4,851
	<u>16,822</u>	<u>-</u>	<u>16,822</u>	<u>13,604</u>

2 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Tenancy rental income	51,264	-	51,264	52,236
Catering income	-	-	-	-
Market income	58,161	-	58,161	62,058
Car parking income	118,503	-	118,503	102,502
	<u>227,928</u>	<u>-</u>	<u>227,928</u>	<u>216,796</u>

3 Incoming resources from charitable activities

	Unrestricted Funds £	Other Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Visual and performing arts promoted by the Maltings	322,924	-	322,924	266,912
Venue hire	207,250	-	207,250	214,624
Catering income	305,975	-	305,975	307,096
Commission received on artist sales	11,708	-	11,708	5,166
Consultancy and management fee income	-	-	-	250
Core funding and other grants				
Waverley Borough Council	34,200	-	34,200	38,000
Farnham Town Council	12,800	-	12,800	16,000
Arts Council	201,832	9,962	211,794	216,791
Other grants received	-	9,258	9,258	3,311
Old Fire Station - Godalming	5,280	-	5,280	4,527
Chantry's Art Club	-	-	-	1,849
Caravan	-	113,266	113,266	61,406
Creative Communities Co-ordinator	-	10,183	10,183	34,200
No Strings Attached	-	-	-	5,000
Cultural Leadership	-	-	-	2,510
Young Promoters	-	-	-	9,369
TEH Staff Exchange Income	-	-	-	200
Vodafone Grant	-	-	-	1,500
The Art of Hiding	-	-	-	12,744
Hall for All income	-	13,293	13,293	55,057
Tindle roof project	-	50,000	50,000	-
	<u>1,101,969</u>	<u>205,962</u>	<u>1,307,931</u>	<u>1,256,512</u>

YEAR ENDED 31 MARCH 2012

4 Resources expended on charitable activities

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Arts development and producing expenditure	150,742	87,528	238,270	130,628
Workshops, courses and exhibitions	184,948	185,033	369,981	385,261
Depreciation	-	-	-	14,460
Catering, PRS, Security	294,649	-	294,649	290,147
Support Costs (see note 5)	625,336	170	625,506	635,133
	<u>1,255,675</u>	<u>272,731</u>	<u>1,528,406</u>	<u>1,455,629</u>

5 Support costs

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Staff costs	401,961	-	401,961	439,770
General office costs	223,375	170	223,545	195,363
	<u>625,336</u>	<u>170</u>	<u>625,506</u>	<u>635,133</u>

6 Governance costs

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Auditors' remuneration (current year)	5,720	-	5,720	6,555
Auditors' remuneration (prior year)	(1,055)	-	(1,055)	35
	<u>4,665</u>	<u>-</u>	<u>4,665</u>	<u>6,590</u>

7 Net income is stated

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
after charging				
Auditors' remuneration (current year)	5,720	-	5,720	6,555
Auditors' remuneration (prior year)	(1,055)	-	(1,055)	35
Depreciation	-	-	-	14,460
after crediting				
Rents receivable	<u>51,264</u>	<u>-</u>	<u>51,264</u>	<u>52,236</u>

8 Tax status

Farnham Maltings Association Limited is a registered charity and is eligible for the exemptions from taxation available to charities on their charitable activities. No charge to taxation therefore arises.

YEAR ENDED 31 MARCH 2012

9 Wages and salary cost

	2012 Total Funds £	2011 Total Funds £
Gross wages	607,642	608,750
Employer's national insurance costs	44,276	45,844
Pension costs	1,184	1,000
	<u>653,102</u>	<u>655,594</u>

The average number of employees, calculated on a full-time equivalent basis, analysed by function was

	2012	2011
Administration	6	7
Market administration	2	2
Box office and front of house	2	2
Operations	9	9
Workshops and courses	3	3
Touring	4	4
Catering	8	8
	<u>34</u>	<u>35</u>

Below is listed the number of employees, which fell within the following bands

	2012	2011
£60,000 - £69,999	1	-
	<u>1</u>	<u>-</u>

Total pension contributions for higher paid staff during the year under review was £1,184

10 Related party transactions

The charity has close working relationships with Waverley Borough Council and Farnham Town Council who together provide substantial funding to enable the Trust to carry out its charitable activities. The following is a summary of transactions with these bodies

	2012 Total Funds £	2011 Total Funds £
Revenue funding		
Waverley Borough Council	34,200	38,000
Farnham Town Council	12,800	16,000
Works to hall and roof		
Waverley Borough Council	29,793	-
	<u>76,793</u>	<u>54,000</u>

The revenue funding is disclosed as part of the income from the operation of an arts and community centre

The income for works to the hall and roof is disclosed as part of the restricted income from the operation of an arts and community centre

The charity rents a small area of land from Waverley Borough Council at an annual rent of £2,350

During the period under review the charity repaid the remaining balance due on a loan to Waverley Borough Council. No balance remained due to or from related parties at the balance sheet date

No (2011 No) members of the Council of Management were reimbursed travel expenses during the year. The members of the Council of Management did not receive any emoluments or payment for professional or other services during the year under review, or the previous year

Fiona Baxter, the daughter of a trustee, was remunerated £26,500 during the year under review for her role as producer of the touring company

YEAR ENDED 31 MARCH 2012

11 Fixed assets

	Freehold Property & Improvements £	Furniture, Equipment & Fittings £	Motor Vehicles £	TOTAL £
<i>Cost</i>				
Brought forward	1,401,298	352,305	14,545	1,768,148
Additions	-	-	-	-
Disposals	-	-	-	-
Carried forward	<u>1,401,298</u>	<u>352,305</u>	<u>14,545</u>	<u>1,768,148</u>
<i>Depreciation</i>				
Accumulated brought forward	64,664	352,305	14,545	431,514
Charge for the year	-	-	-	-
On disposals	-	-	-	-
Carried forward	<u>64,664</u>	<u>352,305</u>	<u>14,545</u>	<u>431,514</u>
Net book value carried forward	<u>1,336,634</u>	<u>-</u>	<u>-</u>	<u>1,336,634</u>
Net book value at brought forward	<u>1,336,634</u>	<u>-</u>	<u>-</u>	<u>1,336,634</u>

12. Debtors

	2012 Total Funds £	2011 Total Funds £
Trade debtors	70,602	71,397
Prepayments and other debtors	8,289	11,511
	<u>78,891</u>	<u>82,908</u>

13. Creditors amounts falling due within one year

	2012 Total Funds £	2011 Total Funds £
Bank loan	16,746	16,375
Other loans - unsecured	-	5,000
Other loans - secured	120,000	-
Trade creditors	64,667	87,660
Taxation and social security costs	57,878	47,290
Accruals and deferred income	121,657	143,526
	<u>380,948</u>	<u>299,851</u>

Deferred income comprises advance ticket sales and car parking income

The secured loan provided by Tindle Newspapers Limited was originally for a two year period to 23 December 2007. The loan is interest free and is secured over a property owned by the company. The term for the balance remaining had been extended until 22 June 2012 and has been repaid in the post year end period.

YEAR ENDED 31 MARCH 2012

14. Creditors amounts falling due after more than one year

	2012 Total Funds £	2011 Total Funds £
Bank loan	4,246	20,992
Other loans - secured	-	120,000
	<u>4,246</u>	<u>140,992</u>

15 Analysis of net assets between funds

	Unrestricted Funds		Restricted Funds £	2012 Total Funds £	2011 Total Funds £
	General £	Designated £			
Tangible fixed assets	1,336,634	-	-	1,336,634	1,336,634
Cash at bank and in hand	(35,262)	143,360	136,779	244,877	276,856
Other net current assets	(302,057)	-	-	(302,057)	(216,943)
Creditors due in more than one year	(4,246)	-	-	(4,246)	(140,992)
	<u>995,069</u>	<u>143,360</u>	<u>136,779</u>	<u>1,275,208</u>	<u>1,255,555</u>

16 Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is £1.

17 Capital commitments – "Farnham Maltings Heritage Project – Restoring the Fabric"

At the balance sheet date the specification for the Project had been produced, with five local companies having taken part in a tendering process, and the work planned for July to September 2012. A Contractor had been appointed, and the final scope of the works was dependent on the funding agreed. Funding had been agreed from Farnham Trust, Waverley Borough Council and a number of small grants, and funding had been sought from the Biffa Trust and the Manifold Chantable Trust.

18 Analysis of net movement in funds

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
<i>Restricted funds</i>					
Third Space	112,513	-	-	(112,513)	-
Arts development and producing	-	14,332	(104,259)	89,927	-
Chantry's Art Club	5,596	-	(828)	-	4,768
Caravan	28,307	113,266	(27,785)	-	113,788
Roman Way Art Club	1,957	-	-	-	1,957
Creative Communities Co-Ordinator	54,359	10,183	(52,920)	-	11,622
The Learning Revolution	1,901	-	(360)	-	1,541
Hall for All	16,966	13,293	(33,473)	3,214	-
Tindle Roof	(3,450)	50,000	(51,321)	4,771	-
Families in the Making	-	2,388	(525)	-	1,863
Craft in the Making	-	2,500	-	-	2,500
PASS Project	-	-	(1,111)	-	(1,111)
Farnham Museum Club	-	-	(149)	-	(149)
	<u>218,149</u>	<u>205,962</u>	<u>(272,731)</u>	<u>(14,601)</u>	<u>136,779</u>
<i>Unrestricted funds</i>					
Arts development and producing	-	257,291	(150,741)	22,586	129,136
Old Fire Station designated fund	10,444	5,280	(1,500)	-	14,224
Total designated funds	10,444	262,571	(152,241)	22,586	143,360
General fund	1,026,962	1,084,191	(1,108,099)	(7,985)	995,069
Total unrestricted funds	<u>1,037,406</u>	<u>1,346,762</u>	<u>(1,260,340)</u>	<u>14,601</u>	<u>1,138,429</u>
Total funds	<u>1,255,555</u>	<u>1,552,724</u>	<u>(1,533,071)</u>	<u>-</u>	<u>1,275,208</u>

YEAR ENDED 31 MARCH 2012

Description of transfers

Transfer 1 -	£22,586 to unrestricted funds from Arts development restricted fund for administration costs borne by unrestricted funds
Transfer 2 -	£112,513 from Third Space restricted fund to Arts development restricted fund following a change to Arts Council funding changes
Transfer 3 -	£3,214 from unrestricted funds to Hall for All to cover deficits in restricted funds
Transfer 4 -	£4,771 from unrestricted funds to Tindle Roof fund to cover the excess of resources expended over restricted income received

Restricted funds**Fund name**

Third Space

Arts development and producing

Chantrys Art Club

Caravan

Roman Way Art Club

Creative Saturdays Art Club

St Marks Art Club

Creative community coordinator

The Learning Revolution

Hall for All

Tindle Roof

Funding source and purpose

Funds received from Arts Council England and Surrey County Council to support the production and distribution of theatre for rural communities across South East England

Funds received to run art clubs for young people at The Chantrys on Roman Way, Farnham

Funds received from Arts Council of England for international export programme for the performing arts sector

Funds received to run art clubs at The Chantrys and Hadrian's Hall on Roman Way, Farnham

Funds received to run art clubs

Funds received to run art clubs

Funds received from Surrey Arts Partnership for a project to develop social cohesion across the county

Funds received to deliver a programme of adult learning activities to coincide with the Learning Revolution Festival

With support from Waverley Borough Council and local trusts and foundations, this project encompassed the refurbishment of the Great Hall and backstage rooms

With a grant from the SITA Trust and support from Waverley Borough Council, the Tindle Studio roof has been replaced using energy efficient insulation, reusing existing timber and roof slates where possible

Designated funds**Fund name**

Old Fire Station

Funding source and purpose

Funds received from Surrey County Council and Self Start to support the development of artists' work spaces