

# farnham **maltings**

Company Limited by guarantee Registered No. 954753



## **Farnham Maltings Association Limited**

**Limited by Guarantee**

## **Trustees Report**

## **and Financial Statements**

**for the year ended 31 March 2013**

**Registered Charity Number 305034**

**Registered Company Number 954753**

THURSDAY



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COMPANIES HOUSE

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**FARNHAM MALTINGS ASSOCIATION LIMITED**  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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**FARNHAM MALTINGS ASSOCIATION LIMITED**  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

**REPORT OF THE TRUSTEES**

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**President**

Mr P A Greenyer

**Trustees**

Mr A H Baxter	(Chairman)
Mr B A Cox FCA	(Treasurer)
Mrs K Gerrard	(Vice Chair to) (resigned 10 November 2012)
Mr S Williamson	(Vice Chair)
Dr J Beer	
Ms L James	
Mr A Mason	
Ms D McMinn	
Dr K Mey	(resigned 7 May 2013)
Mr J Montes	
Ms R Pelopida	(appointed 10 November 2012)
Mr D Seall	
Ms B Smith	

**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

# **FARNHAM MALTINGS ASSOCIATION LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

### **REPORT OF THE TRUSTEES**

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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 2013. 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 was 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. In accordance with the Articles of Association, 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 2012/13 are as listed under Charity Information (page 1).

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 was 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.

#### **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.

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# **FARNHAM MALTINGS ASSOCIATION LIMITED**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

## **REPORT OF THE TRUSTEES**

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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**

Over the past year we have consolidated the Maltings as one that provides cultural services across the town and borough particularly since taking on additional responsibility for the management of the museum of Farnham. At the Maltings we are increasingly focusing our energies on developing an informal programme of festivals and events many of which attract a national and sometimes international audience. The digital programme continues to grow, partly on the back of a hugely revived digital film programme and, pleasingly, we are growing a theatre programme.

We offer a range of community organisations a subsidised user's rate and work at continued improvement in the quality and range of services offered from the Maltings. Our view is that by improving the perceived quality we will safeguard the long term future of these buildings.

After 7 years we have relinquished the Old Fire Station in Godalming as a set of artists' studios as the County looks to sell the asset but we continue to support Cranleigh Arts Centre in pursuance of their ambitions.

### **Volunteers**

Volunteers assist in the running of the Maltings and Museum of Farnham in the following areas

Gardening	Stewarding	Membership	Reception
Marketing	Administration	Archive	Education

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

### **ACHIEVEMENTS AND PERFORMANCE**

The Farnham Maltings continues to build a reputation for delivering services locally, regionally and nationally. We have invested in creating a confident, stable and skilled staff team who share a vision of the Maltings that works to support others in achieving their ambitions. We continue to think about our value to the town and how we might work with others to strengthen a regional ecology that will benefit us all. We have rebuilt the organisational structure so that we can adapt and grow with the opportunities and worry less about surviving and more about increasing the quality, range and impact of our work. All three of our primary funders have demonstrated a belief in our work and capabilities that has further encouraged us to think ambitiously. So that now we are the recipients of major funding from Esmée Fairbairn and co-ordinate the activities of the Arts Partnership for Surrey.

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# FARNHAM MALTINGS ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### REPORT OF THE TRUSTEES

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What follows is a summary of the activities and achievements of Farnham Maltings over the past year. It has been a good year for the Maltings. Despite, or perhaps because of, the challenging operating environment we have developed a range of new services, found new ways of achieving our ambitions and sustained our core.

In that past year we have taken on the management of the Museum of Farnham, established house as a model of shared ambition for programmers across the region, begun to co-ordinate the Arts Partnership for Surrey and evolved caravan from a biennial showcase into a year round initiative that supports the international ambitions of the independent theatre sector. All of which presents a challenge when communicating, meaningfully, what ties the range of work the Maltings delivers. That said our purpose remains accurately described as 'to encourage the most people to see, make and enjoy the best art they can'. This is a fairly inadequate attempt to list these outputs by theme and by activity. So we have grouped these outputs into four key strands - loosely based on the priorities of Surrey CC and Waverley BC- and against areas of the business - caravan, house, craft etc.

#### **artist development theatre**

- Mounted national tour of new piece for village halls In Praise of Elephants
- Little Bulb tour nationally with Operation Greenfield & Goose Party and are commissioned to make Christmas show for Bristol Old Vic in 2013
- Little Bulb and Camille Boitel collaborate to make Calamity Cabaret premiered at Marseille as part of their City of Culture celebrations funded through the PASS interreg programme
- Brokered relationship for Little Bulb with the National to make Squally Showers for summer 2013
- Victoria Melody and Little Bulb are selected as part of the East to Edinburgh programme which allows them to apply respectively for £13k and £17k to the eastern region to support their Edinburgh runs
- Supported 26 new and emerging theatre and dance companies via 1:1's, performance feedback, Grants for arts advice and training, providing networking opportunities
- Set up a regular theatre e-newsletter that reaches over 500 industry peers and colleagues each edition
- Established house as a regional programming model for East and South East England
- In the first year 105 venues and 240 companies and artists have registered for house. Of the venues, 65 are based in the South East region, and 40 in the East
- The season averaged 62% capacity across all of the performances, reaching a total of 3892 audience members

#### **craft**

- unravel develops an international profile including partnership with Selvedge Magazine
- Initiated a new festival, thread, as a national festival of textiles in November 2013
- Developed Craft Connects project with Ministry of Defence for work across Rushmoor with the Nepalese community
- Established a new Textile Makers Network with funding from the Laura Ashley Foundation
- Awarded a £15,000 commission to 2 artists for a craft installation to mark the Queen's Jubilee
- Increased visitor attendance at festival of crafts by 20% over two days

#### **international**

- Developed caravan 2012 with Arts Council and British Council to deliver a £160,000 international export project for South East performing arts companies
- Showcased 20 theatre companies to 60 international and national programmers, presenters and producers over three days in Brighton that resulted in artists taking work to places such as Denmark, Chile and Canada
- Developed partnership with Push festival in Vancouver that includes 3 English theatre companies taking work, running workshops and residencies in Canada in Feb 2013

#### **sustainable communities**

- Agreed co-ordination role with Arts Partnership Surrey for the County and eight boroughs to support their joint working
- Continued alliance with Cranleigh Arts Centre that supports the development and delivery of their ambitions. Stabilised finances, recruited new staff and implemented review of policies and services

#### **performance**

- Delivered three programmes of performance and workshops from the Maltings that attracted in excess of 415,000 visitors
- 28 comedy events (Great Hall and Cellar Bar)
- 50 live music performances and successfully developed the 'boutique' Girls & Guitars season in the Riverside Café

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

**REPORT OF THE TRUSTEES**

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**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 charity 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

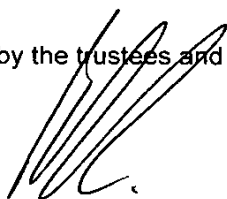
- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**APPOINTMENT OF AUDITORS**

The trustees have, after a full and careful review, decided not to ask Blue Spire to seek re-election, but to propose at the AGM that Tudor John LLP are appointed in their stead.

Approved by the trustees and signed on their behalf



Brian Cox  
Company Secretary

Date 10<sup>th</sup> October 2013

# **FARNHAM MALTINGS ASSOCIATION LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

### **REPORT OF THE TRUSTEES**

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#### **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 £49,971 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 £190,029.

The Council of Management consider that the desired level of residual reserves is currently £150,000, being £50,000 to cover the loss of a major funder for one year and £100,000 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.

#### **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 60% from income arising from facilities hire, promoted events, and Maltings events, and 40% from Arts Council England, Waverley Borough Council and Farnham Town Council.

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

#### **Future Plans**

We will continue to work at exceeding the expectations placed on us by our two main funders, retain our audiences' affection and surprise ourselves with new collaborators – such as the recent one with the British Army in Aldershot. The museum is an initial three-year project and it is clear that it will take us all of that time to put in place a more robust, ambitious structure that might better serve the needs of the town. House has quickly demonstrated the value in developing shared ambition and we need to use the social capital and leadership role this has put us in to make the most of those relationships.

Similarly caravan 2014 places us at the forefront of a discussion about how artists raise improve the quality and reach of their work. We intend to grow the training programme for both house and caravan.

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 have outlined below much of the detail of our activity plans for 2013/14 which remain the same as those described in our funding agreement.

We will set ambitions within our business plan against a consistent set of targets that include Showcase and marketplaces, programming new work, Producing and commissioning and nurturing artists and makers.



# FARNHAM MALTINGS ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### REPORT OF THE TRUSTEES

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#### 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 charity 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

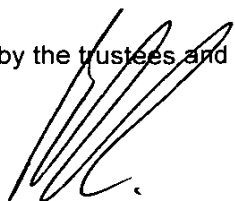
- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

#### APPOINTMENT OF AUDITORS

The trustees have, after a full and careful review, decided not to ask Blue Spire to seek re-election, but to propose at the AGM that Tudor John LLP are appointed in their stead

Approved by the trustees and signed on their behalf



Brian Cox  
Company Secretary

Date 10<sup>th</sup> October 2013

# FARNHAM MALTINGS ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### INDEPENDENT AUDITORS' REPORT

#### 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 2013 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company'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 charity'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 2013, 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



Geoffrey Frost BSc(Hons) FCA, Senior Statutory Auditor  
For and on behalf of Blue Spire South LLP, Statutory Auditor

Cawley Priory  
South Pallant  
Chichester  
West Sussex  
PO19 1SY

Date 23 October 2013

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds						
Voluntary Income	1	20,748	-	6,524	27,272	16,822
Activities for generating funds	2	241,563	-	-	241,563	227,928
Investment income		2,490	-	-	2,490	43
Incoming resources from charitable activities	3	855,696	593,909	338,116	1,787,721	1,307,931
Other incoming resources		-	-	-	-	-
<b>Total incoming resources</b>		<u>1,120,497</u>	<u>593,909</u>	<u>344,640</u>	<u>2,059,046</u>	<u>1,552,724</u>
<b>RESOURCES EXPENDED</b>						
Charitable activities	4	1,117,687	436,611	425,841	1,980,139	1,528,406
Governance costs	6	5,874	-	-	5,874	4,665
<b>Total resources expended</b>		<u>1,123,561</u>	<u>436,611</u>	<u>425,841</u>	<u>1,986,013</u>	<u>1,533,071</u>
<b>Net Income/(expenditure)</b>		(3,064)	157,298	(81,201)	73,033	19,653
<b>TRANSFERS</b>						
Gross transfers between funds	18	<u>27,796</u>	<u>(33,796)</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		24,732	123,502	(75,201)	73,033	19,653
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	18	995,069	143,360	136,779	1,275,208	1,255,555
<b>Total funds carried forward</b>	18	<u>1,019,801</u>	<u>266,862</u>	<u>61,578</u>	<u>1,348,241</u>	<u>1,275,208</u>

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

The notes on pages 12 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

# FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

## BALANCE SHEET AS AT 31 MARCH 2013

	Note	2013		2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		1,336,634		1,336,634
<b>CURRENT ASSETS</b>					
Debtors	12	67,525		78,891	
Cash at hand and in bank		317,155		244,877	
<b>Total current assets</b>		<u>384,680</u>		<u>323,768</u>	
<b>CURRENT LIABILITIES</b>					
Creditors amounts falling due within one year	13	<u>311,783</u>		<u>380,948</u>	
<b>Net current assets/(liabilities)</b>			72,897		(57,180)
<b>Total assets less current liabilities</b>			<u>1,409,531</u>		<u>1,279,454</u>
Creditors amounts falling due after more than one year	14		(61,290)		(4,246)
<b>Net assets/(liabilities)</b>			<u>1,348,241</u>		<u>1,275,208</u>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Restricted funds</b>	18		61,578		136,779
<b>Unrestricted funds</b>					
Designated funds	18	266,862		143,360	
General funds	18	<u>1,019,801</u>		<u>995,069</u>	
<b>Total unrestricted funds</b>			1,286,663		1,138,429
<b>Total charity funds</b>	18		<u>1,348,241</u>		<u>1,275,208</u>

The notes on pages 12 to 18 form part of these financial statements

Approved by the trustees and signed on their behalf



Mr A H Baxter  
Chairman of trustees

Date 10/10/13

Company number 954753

# FARNHAM MALTINGS ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### ACCOUNTING POLICIES

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#### 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 Malting's 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

#### 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

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**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**1 Voluntary income**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Subscriptions	12,511	-	-	12,511	10,405
Legacies and donations	8,237	-	6,524	14,761	6,417
	<u>20,748</u>	<u>-</u>	<u>6,524</u>	<u>27,272</u>	<u>16,822</u>

**2 Activities for generating funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Tenancy rental income	53,073	-	-	53,073	51,264
Market income	59,244	-	-	59,244	58,161
Car parking income	129,246	-	-	129,246	118,503
	<u>241,563</u>	<u>-</u>	<u>-</u>	<u>241,563</u>	<u>227,928</u>

**3 Incoming resources from charitable activities**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Visual and performing arts promoted by the Maltings	282,043	27,697	10,000	319,740	322,924
Venue hire	218,500	-	-	218,500	207,250
Catering income	299,715	-	-	299,715	305,975
Farnham Museum	-	-	42,169	42,169	-
Commission received on artist sales	10,148	-	-	10,148	11,708
Consultancy and management fee income	-	-	-	-	-
Core funding and other grants					
Waverley Borough Council - Revenue funding	32,490	-	-	32,490	34,200
Waverley Borough Council - Farnham Museum	-	-	56,455	56,455	-
Farnham Town Council	12,800	-	-	12,800	12,800
Arts Council	-	562,071	-	562,071	211,794
Other grants received	-	-	104,416	104,416	9,258
Old Fire Station - Godalming	-	4,141	-	4,141	5,280
Creative Saturdays Art Club	-	-	74	74	-
Caravan	-	-	14,469	14,469	113,266
Creative Communities Co-ordinator	-	-	50,928	50,928	10,183
PASS Project	-	-	59,429	59,429	-
No Strings Attached	-	-	176	176	-
Hall for All income	-	-	-	-	13,293
Tindle roof project	-	-	-	-	50,000
	<u>855,696</u>	<u>593,909</u>	<u>338,116</u>	<u>1,787,721</u>	<u>1,307,931</u>

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Resources expended on charitable activities**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Arts development and producing expenditure	-	421,458	-	421,458	238,270
Workshops, courses and exhibitions	182,126	13,853	425,825	621,804	369,979
Depreciation	-	-	-	-	-
Catering, PRS, Security	296,366	-	-	296,366	294,649
Support Costs (see note 5)	639,195	1,300	16	640,511	625,508
	<u>1,117,687</u>	<u>436,611</u>	<u>425,841</u>	<u>1,980,139</u>	<u>1,528,406</u>

**5 Support costs**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Staff costs	414,261	1,300	-	415,561	401,961
General office costs	224,934	-	16	224,950	223,547
	<u>639,195</u>	<u>1,300</u>	<u>16</u>	<u>640,511</u>	<u>625,508</u>

**6 Governance costs**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Auditors' remuneration (current year)	5,874	-	-	5,874	5,720
Auditors' remuneration (prior year)	-	-	-	-	(1,055)
	<u>5,874</u>	<u>-</u>	<u>-</u>	<u>5,874</u>	<u>4,665</u>

**7 Net income is stated**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
<b>after charging</b>					
Auditors' remuneration (current year)	5,874	-	-	5,874	5,720
Auditors' remuneration (prior year)	-	-	-	-	(1,055)
Depreciation	-	-	-	-	-
<b>after crediting</b>					
Rents receivable	<u>53,073</u>	<u>-</u>	<u>-</u>	<u>53,073</u>	<u>51,264</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.

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

**NOTES TO THE FINANCIAL STATEMENTS**

**9 Wages and salary cost**

	<b>2013 Total Funds £</b>	<b>2012 Total Funds £</b>
Gross wages	689,391	607,642
Employer's national insurance costs	49,952	44,276
Pension costs	1,300	1,184
	<u>740,643</u>	<u>653,102</u>

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

	<b>2013</b>	<b>2012</b>
Administration	6	6
Market administration	2	2
Box office and front of house	2	2
Operations	9	9
Workshops and courses	4	3
Touring	6	4
Catering	8	8
	<u>37</u>	<u>34</u>

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

	<b>2013</b>	<b>2012</b>
£60,000 - £69,999	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Total pension contributions for higher paid staff during the year under review was £1,300

**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

	<b>2013 Total Funds £</b>	<b>2012 Total Funds £</b>
<b>Revenue funding</b>		
Waverley Borough Council	32,490	34,200
Farnham Town Council	12,800	12,800
<b>Other funding</b>		
Waverley Borough Council <i>For works to hall and roof</i>	-	29,793
Waverley Borough Council <i>For supporting the running costs of the Farnham Museum</i>	56,455	-
	<u>101,745</u>	<u>76,793</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

No (2012 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 £27,295 during the year under review for her role as producer of the touring company



**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**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**

	2013 Total Funds £	2012 Total Funds £
Trade debtors	59,984	70,602
Prepayments and other debtors	7,541	8,289
	<u>67,525</u>	<u>78,891</u>

**13 Creditors amounts falling due within one year**

	2013 Total Funds £	2012 Total Funds £
Bank overdraft	-	-
Bank loan	5,685	16,746
Other loans - unsecured	-	-
Other loans - secured	-	120,000
Trade creditors	99,373	64,667
Taxation and social security costs	48,786	57,878
Accruals and deferred income	157,939	121,657
Other creditors	-	-
	<u>311,783</u>	<u>380,948</u>

Deferred income comprises advance ticket sales and car parking income

During the year under review the charity repaid the existing bank loan with Trodos Bank and entered into a new loan agreement with Barclays Bank Plc to repay the secured loan from Tindle Newspapers Limited. The new bank loan shown in notes 13 and 14 is secured on a building owned by the charity and is for a 10 year period ending in June 2022.

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**14 Creditors amounts falling due after more than one year**

	<b>2013 Total Funds £</b>	<b>2012 Total Funds £</b>
Bank loan	61,290	4,246
Other loans - secured	-	-
	<u>61,290</u>	<u>4,246</u>

**15 Analysis of net assets between funds**

	<b>Unrestricted Funds</b>		<b>Restricted Funds £</b>	<b>2013 Total Funds £</b>	<b>2012 Total Funds £</b>
	<b>General £</b>	<b>Designated £</b>			
Tangible fixed assets	1,336,634	-	-	1,336,634	1,336,634
Cash at bank and in hand	(11,285)	266,862	61,578	317,155	244,877
Other net current assets	(244,258)	-	-	(244,258)	(302,057)
Creditors due in more than one year	(61,290)	-	-	(61,290)	(4,246)
	<u>1,019,801</u>	<u>266,862</u>	<u>61,578</u>	<u>1,348,241</u>	<u>1,275,208</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**

The charity had no capital commitments at 31 March 2013.

**FARNHAM MALTINGS ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTES TO THE FINANCIAL STATEMENTS**

**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>					
Chantry's Art Club	4,768	-	-	(1,850)	2,918
Caravan	113,788	14,543	(89,884)	-	38,447
Roman Way Art Club	1,957	-	-	(1,850)	107
Creative Communities Co-Ordinator	11,622	35,928	(35,808)	-	11,742
The Learning Revolution	1,541	-	(380)	-	1,161
Families in the Making	1,863	4,700	(7,872)	3,700	2,391
Maltings Makers	2,500	-	(1,890)	-	610
PASS Project	(1,111)	59,605	(74,650)	-	(16,156)
Farnham Museum	(149)	98,744	(77,744)	(4,000)	16,851
Restoring the Fabric	-	52,796	(52,988)	-	(192)
Sprout	-	20,000	(30,000)	10,000	-
Waverley Youth Arts Festival	-	6,800	(2,480)	-	4,320
Jubilee Craft Commission	-	10,000	(6,290)	-	3,710
Digital Cinema	-	26,524	(45,155)	-	(18,631)
Craft Connects	-	15,000	(700)	-	14,300
	<u>136,779</u>	<u>344,640</u>	<u>(425,841)</u>	<u>6,000</u>	<u>61,578</u>
<i>Unrestricted funds</i>					
Arts development and producing	129,136	589,768	(434,904)	(33,796)	250,204
Old Fire Station designated fund	14,224	4,141	(1,707)	-	16,658
Total designated funds	<u>143,360</u>	<u>593,909</u>	<u>(436,611)</u>	<u>(33,796)</u>	<u>266,862</u>
General fund	995,069	1,120,497	(1,123,561)	27,796	1,019,801
Total unrestricted funds	<u>1,138,429</u>	<u>1,714,406</u>	<u>(1,560,172)</u>	<u>(6,000)</u>	<u>1,286,663</u>
Total funds	<u>1,275,208</u>	<u>2,059,046</u>	<u>(1,986,013)</u>	<u>-</u>	<u>1,348,241</u>

**Description of transfers**

Transfer 1 -	£1,850 from Chantry's Art Club to Families in the Making to meet costs of similar project
Transfer 2 -	£1,850 from Roman Way Art Club to Families in the Making to meet costs of similar project
Transfer 3 -	£10,000 from Arts Development and Producing designated fund to Sprout restricted fund to match overspend on fund
Transfer 4 -	£23,796 from Arts development and producing designated funds to general funds for costs previously borne by general funds
Transfer 5 -	£4,000 from Farnham Museum restricted funds to general funds for costs previously borne by general funds

**Restricted funds**

Fund name	Funding source and purpose
Chantry's Art Club	Funds received to run art clubs for young people at The Chantry's on Roman Way, Farnham
Caravan	Funds received from Arts Council of England for international export programme for the performing arts sector
Roman Way Art Club	Funds received to run art clubs at The Chantry's and Hadrian's Hall on Roman Way, Farnham
Creative community coordinator	Funds received from Surrey Arts Partnership for a project to develop social cohesion across the county
The Learning Revolution	Funds received to deliver a programme of adult learning activities to coincide with the Learning Revolution Festival

# FARNHAM MALTINGS ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### NOTES TO THE FINANCIAL STATEMENTS

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Hall for All	With support from Waverley Borough Council and local trusts and foundations, this project encompassed the refurbishment of the Great Hall and backstage rooms
Families in the Making	Funds for after school sessions for families run in four of the boroughs priority wards
Craft in the Making	Funds for craft sessions for families run across Waverley
PASS Project	Three year interreg funded project to support contemporary circus
Farnham Museum	Service Level Agreement for initial three years to manage the museum of Farnham
Restoring the Fabric	Capital development project to restore the outside of the Maltings buildings
Sprout	Commission partnership with Surrey CC and Take Art for an early years theatre piece
Waverley Youth Arts Festival	One day celebration of theatre by young people
Jubilee Craft Commission	Commission to improve the riverside side of the building in partnership with Farnham Town Council and private donations
ACE International	A discreet project within the caravan programme to take three companies to the Push festival in Vancouver
Digital Cinema	Capital project to move the film programme to a digital platform
Craft Connects	One year programme of work funded by the British Army of Rushmore
<b>Designated funds</b>	
<b>Fund name</b>	<b>Funding source and purpose</b>
Arts development and producing	Funds received from Arts Council England to support the production and distribution of theatre and a programme for the performing arts sector
Old Fire Station	Funds received from Surrey County Council and Self Start to support the development of artists' work spaces