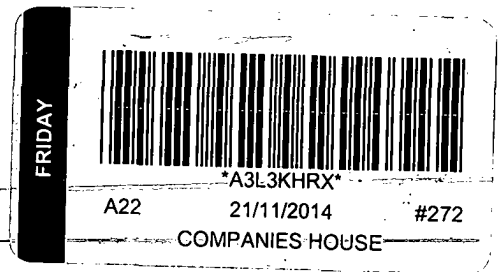
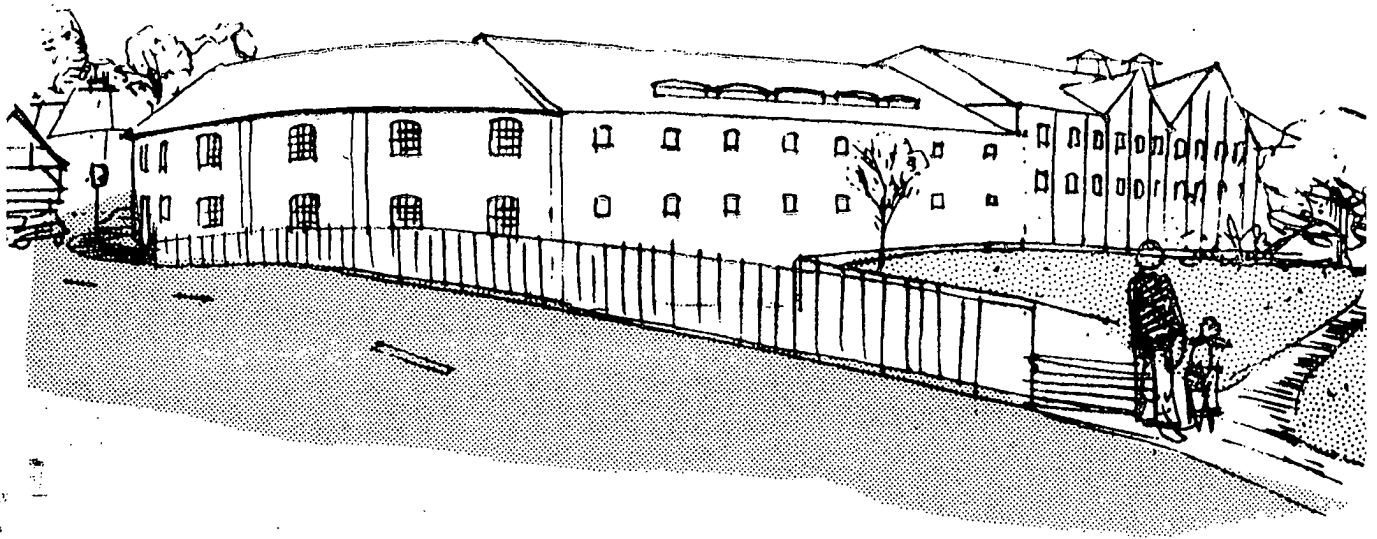


FARNHAM MALTINGS ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014



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 2014

FARNHAM MALTINGS ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

Registered Charity Number 305034
Registered Company Number 954753

Farnham Maltings, Bridge Square, Farnham, Surrey GU9 7QR

	Page
Charity information	1
Report of the trustees	2
Independent auditors' report	8
Statement of financial activities	9
Balance sheet	10
Principal accounting policies	11
Notes to the financial statements	13

FARNHAM MALTINGS ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

President

Mr P A Greenyer

Trustees

Mr A H Baxter	(Chairman)
Mr B A Cox FCA	(Treasurer)
Mr S Williamson	(Vice Chair)
Dr J Beer	
Mr A Mason	
Ms R Pelopida	
Mr D Seall	
Ms R Norton-Hale	
Ms H Phung	(appointed 9 November 2013)
Ms Z Seenan	(appointed 9 November 2013)
Dr T Cooper	(appointed 9 November 2013)

Nominee members of the Council of Management

Cllr P Frost	(Nominee, Farnham Town Council)
Ms D Le Gal	(Nominee, Surrey County Council)
Ms C Hall	(Observer, Waverley Borough Council)
Cllr J Potts	(Nominee, Waverley Borough Council)
Cllr J O'Grady	(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

Tudor John LLP
Nightingale House
46 -48 East Street
Epsom
Surrey
KT17 1HQ

Bankers

Barclays Bank Plc
22 The Borough
Farnham
Surrey
GU9 7NH

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 2014. 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 2013/14 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 withdraw from decisions where a conflict of interest arises.

The Council of Management administers the charity, and meets quarterly. There is a sub-group covering finance and resources. New sub-groups are formed as necessary to administer key projects such as capital development, fundraising, and the Museum of Farnham. 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.

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

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. We organise 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;
- 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 working in partnerships locally, nationally and internationally.

Activities of the Maltings

Over the past year we have delivered a programme of cultural services across the town and borough from the Maltings and the museum that includes three seasons of performances including theatre, music, film, satellite broadcast and comedy, workshops, exhibitions and festivals. We have also delivered a participatory programme of activities across the town including pop-up craft workshops and youth theatre.

We have continued to work with a range of community organisations providing a subsidised user's rate and have continued to improve the quality and range of services offered from the Maltings and the museum. In addition to the work we have undertaken in Farnham we have delivered three major programmes of work that serve independent theatre regionally and nationally:

- Producing a stable of independent theatre companies and supporting other South East theatre artists to make contemporary theatre.
- Leading the *house* network of 150 venues across the region to present and build the audience for contemporary theatre.
- Delivered *caravan* as a biannual 3 day showcase to support the international ambitions of English independent theatre.

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. It is estimated that time given by volunteers to the Farnham Maltings and the Museum of Farnham is valued at £39,818.00.

We have continued to make our own work, mainly in non-theatre spaces, and remounted a national tour of *In Praise of Elephants*, which included a week touring the highlands and islands of Scotland. Of particular note is the production and touring of *The Iranian Feast*. This new piece of event theatre, which toured nationally, was especially well received.

It has been a particularly good year for the produced artists. Little Bulb successfully presented *Squally Showers* at the Edinburgh festival and National theatre, made Bristol Old Vic's Christmas show and then ran *Orpheus* for six

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

weeks at BAC. Victoria Melody had a huge success with *Major Tom*, which has toured to Canada and *Northern Soul*, whilst Catherine Ireton toured the South East with *What is it about that Night*.

ACHIEVEMENTS AND PERFORMANCE

Farnham Maltings has built a reputation for delivering services locally to the people of Farnham and the borough and to the independent theatre sector regionally and nationally. We have a stable and skilled staff team who are committed to a model of the Maltings that works to support others in achieving their ambitions.

theatre

It was a non-showcase year for caravan, however, we toured three companies to Vancouver and Brisbane and ran a programme of one day symposiums that explored working internationally across the country.

house has built a network of 125 venues across the south east committed to building a audience for contemporary theatre. Over the past year *house* presented 114 performances in 64 venues to a total audience of 13507.

craft

Craft remains a core element of the work of the Maltings. It is particularly pleasing that in the past year we have worked with the town council and others to promote the idea of Farnham as a craft town to the point when each of the town signs welcoming people to Farnham say 'craft town'. The festival programme continues to flourish with a 15% increase in attendance and plans for future growth. In the past year we successfully launched Thread as a new textile event, have grown the craft element of the shop and increased the number of workshops.

In the past year we successfully delivered a £100,000 Craft residency programme across Rushmoor with the British Army and the Nepalese community and established and delivered a model of Pop-up craft workshops across the town at fetes, libraries, community centres and open spaces.

International

We are increasingly looking at the international potential of all our work so that the craft team secured funding to bring international speakers to unravel and invested in craft makers to undertake international visits. We have taken theatre work to Australia, Canada and America and continued our collaboration with France.

sustainable communities

We have developed a programme of work for elders with the Alzheimer's Society, developed a visual story to introduce the building, and what we do, to people with autism and increasingly work in communities of greatest need across the borough. We are particularly proud of the work we have done over the past year with the British Army to host a series of craft residencies designed to connect the Nepalese community to Aldershot.

We continue to coordinate the Arts Partnership for Surrey involving the majority of the boroughs and districts working with the County identifying and investing in shared ambitions. This ensures that we are connected to and understand the strategic priorities of the Local Authorities.

performance

The performance programme of the Maltings has continued to adapt and grow over the past year. We have an increased festival offer and the theatre programme, whilst limited, has begun to build audiences. But it is the live satellite broadcasts that have transformed the quality and range of work that we can present – now including ballet and visual arts. We have started to shift away from popular music, partly because it is provided by other venues nearby and partly because we lack the personal enthusiasm that is needed to ensure its success. We will continue to work with external promoters who have the ambition to develop and audience for a specific audience.

community partnerships

The past year has been our busiest ever in terms of use of the buildings by a vast range of community and voluntary sector organisations – most notably U3A with whom we have a positive and mutually productive partnership.

The museum has been particularly successful in building new relationships.

young people

The work with young people continues to grow, in part made possible with additional funding secured to work with young travellers, home educated, young carers and young people from priority wards on a Waverley Youth Arts Festival. The *No Strings Attached* programme for young theatre maker's made investments into 6 new and emerging

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

companies supported by mentors. Of particular note is the work we have led to support 30+ 6 month paid internships through the *Creative Employment Programme*. During the past year we have also delivered 562 workshops including half term, summer and termly activities at the Maltings and in priority wards in Waverley.

venue

We have continued to invest in improving the physical fabric of the buildings and increasing the quality of services we offer as a way to shift the perceived value of the Maltings within the community. The Live digital programme has become an increasingly significant element of the presentation programme

financial sustainability

We continue to work at ensuring that Farnham Maltings is self-sustaining as an organisation. Our core activities are largely self-funding – all be it that we are enormously enriched by the activities that are funded by ACE, Waverley, Farnham Town Council and British Council. It is moot point as to how well the organisation would thrive should our project funding come under threat. Whilst we could exist we would feel a less confident, alive organisation that would struggle to attract the best staff. The buildings still need investment, perhaps always, as one of the primary ways in which we can ensure a long term future is to shift the perceived value and standards of the business.

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

We have built an operational model that means that we are able to cover almost 100% of our running costs through earned income. Developing a Service Level Agreement with Waverley and securing NPO funding from ACE for 2015-18 has allowed us to plan with some confidence in terms of these relationships.

Over the past year and for the next we have secured additional funding from DCMS to develop a philanthropic giving programme that includes a patron scheme and on-line giving opportunities.

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 surplus of £45,715.00 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 £285,715.00.

The Council of Management consider that the desired level of residual reserves is currently £200,000, being £100,000 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.

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

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

Over the coming three years we are setting a number of deliberately ambitious plans designed to ensure the long term sustainability of the charity and to best place us to meet our ambitions to contribute to the shape and character of the town and region.

Crucially we have a five-year capital development plan that has, at its centre, the development of a 250 seat studio theatre with the Great Hall – which is our least used asset and is the facility most needed by the town. We also need to improve the public utilities of the building, notably the toilets and foyer space, the first of which we plan to undertake in the next 12 months.

We want to continue to build the Maltings as the cultural engine for the town, exploring potential overlaps with the library and adult education service, building collaborative relationships with the University, health service and others who have a concern for the health and character of the town. We want to become more actively involved in the public discourse around Farnham's future, hosting the hustings for the General Election and chairing discussions on pedestrianisation, etc.

We retain an affection for the crafts, for their ability to reach a wide audience and their rich history within the town and will invest energy and resources in making the most of the idea of Farnham craft town. We continue to believe that the festival model is one that suits these buildings and intend to grow further the programme of one and two day informal events designed for a local and regional audience.

We will work at consolidating a view of the Maltings as the lead organisation for independent theatre across the region, one that contributes to national and international debates and that has the resources, expertise and capacity to support theatre makers to achieve their ambitions. This work is complemented by the work we are doing to support programmers across the region to build the audience for contemporary theatre.

We will work at ensuring that the Museum is recognised as a vital part of the cultural fabric of the town by both politicians and the public that is both progressive and rooted in the particularity of Farnham.

FARNHAM MALTINGS ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

REPORT OF THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Tudor John LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the trustees and signed on their behalf.


Brian Cox
Company Secretary

Date 8/4/2014

Report of the Independent Auditors 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 2014 on pages five to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page two, the trustees (who are also the directors of the charitable company 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 March 2014 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.

**Report of the Independent Auditors to the Members of
FARNHAM MALTINGS ASSOCIATION LIMITED**

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Tudor John LLP

Hazel Mulhall, BSc (Hons) FCA DChA (Senior Statutory Auditor)
for and on behalf of Tudor John LLP
Chartered Accountants and Statutory Auditors
Nightingale House
46-48 East Street
Epsom
Surrey
KT17 1HQ

Date: *18th November 2014*

FARNHAM MALTINGS ASSOCIATION LIMITED

**Statement of Financial Activities
for the year ended 31 March 2014**

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2014 Total funds £	2013 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	26,249	1	-	26,250	27,275
Activities for generating funds	3	258,142	-	-	258,142	241,563
Investment income	4	3,639	-	-	3,639	2,490
Incoming resources from charitable activities						
Catering, PRS, Security		342,452	-	-	342,452	299,715
Venue hire		238,136	-	-	238,136	218,500
Visual and performing arts promoted by the Maltings		326,663	-	-	326,663	319,738
Farnham Museum		-	102,875	-	102,875	42,169
Commission received on artist sales		13,559	-	-	13,559	10,148
Core funding and other grants		45,406	401,958	842,771	1,290,135	897,449
Total incoming resources		1,254,246	504,834	842,771	2,601,851	2,059,047
RESOURCES EXPENDED						
Charitable activities						
Arts, development and producing expenditure	6	128,794	-	618,356	747,150	421,458
Workshops, courses and exhibitions		222,451	289,447	-	511,898	621,805
Catering, PRS, Security		339,816	-	-	339,816	296,366
Support costs		526,484	-	146,293	672,777	640,511
Governance costs	8	5,874	-	-	5,874	5,874
Total resources expended		1,223,419	289,447	764,649	2,277,515	1,986,014
NET INCOMING RESOURCES BEFORE TRANSFERS						
		30,827	215,387	78,122	324,336	73,033
Gross transfers between funds	17	28,647	13,263	(41,910)	-	-
Net incoming/(outgoing) resources		59,471	228,650	36,212	324,336	73,033
RECONCILIATION OF FUNDS						
Total funds brought forward		1,019,801	61,578	266,862	1,348,241	1,275,208
TOTAL FUNDS CARRIED FORWARD		<u>1,079,275</u>	<u>290,228</u>	<u>303,074</u>	<u>1,672,577</u>	<u>1,348,241</u>

The notes form part of these financial statements

FARNHAM MALTINGS ASSOCIATION LIMITED

**Balance Sheet
At 31 March 2014**

	Notes	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
FIXED ASSETS					
Tangible assets	12	1,300,328	36,306	1,336,634	1,336,634
CURRENT ASSETS					
Debtors	13	5,955	78,327	84,282	67,525
Cash at bank and in hand		<u>512,892</u>	<u>157,578</u>	<u>670,470</u>	<u>317,155</u>
		518,847	235,905	754,752	384,680
CREDITORS					
Amounts falling due within one year	14	(383,068)	18,017	(365,051)	(311,782)
		<u>135,779</u>	<u>253,922</u>	<u>389,701</u>	<u>72,898</u>
NET CURRENT ASSETS					
		1,436,107	290,228	1,726,335	1,409,532
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	15	(53,758)	-	(53,758)	(61,291)
		<u>1,382,349</u>	<u>290,228</u>	<u>1,672,577</u>	<u>1,348,241</u>
NET ASSETS					
FUNDS					
Unrestricted funds	17			1,382,349	1,286,663
Restricted funds				<u>290,228</u>	<u>61,578</u>
TOTAL FUNDS					
				<u>1,672,577</u>	<u>1,348,241</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 8/11/14 and were signed on its behalf by:



Trustee

The notes form part of these financial statements

FARNHAM MALTINGS ASSOCIATION LIMITED

notes to the financial statements for the year ended 31 March 2014

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

EXEMPTION FROM PREPARING A CASH FLOW STATEMENT

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

INCOMING RESOURCES

Voluntary income, including donations, gifts, 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

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 costs 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 supports 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.

TANGIBLE FIXED ASSETS

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

Land and buildings	- not provided
Plant and machinery etc	- 50% on cost
Freehold property	Not depreciated
Car park improvements	Not depreciated
Motor Vehicles	50% straight line
Furniture, equipment and fittings	10% - 33.3% straight line

Assets costing £5,000 or more are capitalised and depreciated over their useful economic life.

The Freehold property and Car park improvements are not depreciated since the Directors consider that given the high level of maintenance any depreciation charge would be immaterial.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

1. ACCOUNTING POLICIES - continued

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Donations	10,427	14,764
Subscriptions	<u>15,823</u>	<u>12,511</u>
	<u>26,250</u>	<u>27,275</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Car park income	142,534	129,246
Market income	63,305	59,244
Tenancy rental income	<u>52,303</u>	<u>53,073</u>
	<u>258,142</u>	<u>241,563</u>

4. INVESTMENT INCOME

	2014	2013
	£	£
Deposit account interest	<u>3,639</u>	<u>2,490</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		2014	2013
	Activity	£	£
Catering income	Catering, PRS, Security	342,452	299,715
Venue hire	Venue hire	238,136	218,500
Visual and performing arts promoted by the Maltings	Visual and performing arts promoted by the Maltings	326,663	319,738
Farnham museum	Farnham Museum	102,875	42,169
Commission received on artist sales	Commission received on artist sales	13,559	10,148
Grants	Core funding and other grants	<u>1,290,135</u>	<u>897,449</u>
		<u>2,313,820</u>	<u>1,787,719</u>

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2014	2013
	£	£
Waverley Borough Council - Revenue funding	32,490	32,490
Waverley Borough Council - Farnham Museum	-	56,455
Farnham Town Council	12,800	12,800
Arts council	918,383	562,071
Other grants received	82,484	104,416
Old Fire Station - Godalming	1,643	4,141
Creative Saturdays Art Club	-	74
Caravan	-	14,469
Creative Communities Co-ordinator	22,500	50,928
Pass project	83,394	59,429
No strings attached	-	176
Esme Fairbairn - Greenhouse	<u>136,441</u>	<u>-</u>
	<u><u>1,290,135</u></u>	<u><u>897,449</u></u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	(See note 7) £	£
Arts, development and producing expenditure	747,150	-	747,150
Workshops, courses and exhibitions	507,293	4,605	511,898
Catering, PRS, Security	339,816	-	339,816
Support costs	<u>2</u>	<u>672,775</u>	<u>672,777</u>
	<u><u>1,594,261</u></u>	<u><u>677,380</u></u>	<u><u>2,271,641</u></u>

7. SUPPORT COSTS

	Human resources £
Workshops, courses and exhibitions	4,605
Support costs	<u>672,775</u>
	<u><u>677,380</u></u>

8. GOVERNANCE COSTS

	2014	2013
	£	£
Auditors' remuneration	<u>5,874</u>	<u>5,874</u>

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	<u>5,874</u>	<u>5,874</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2014 nor for the year ended 31 March 2013.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 March 2014 nor for the year ended 31 March 2013.

11. STAFF COSTS

	2014	2013
	Total	Total
	Funds	Funds
	£	£
Gross wages	854,426	689,391
Employer's national insurance	61,573	44,276
Pension	<u>8,240</u>	<u>1,184</u>
	<u>924,439</u>	<u>740,643</u>

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

	2014	2013
Administration	7	6
Market administration	-	2
Box office and front of house	3	2
Operations	8	9
Workshop and courses	2	4
Touring	8	6
Catering	5	8
Museum	<u>2</u>	<u>-</u>
	<u>35</u>	<u>37</u>

The Charity also uses a number of casual employees on a part time basis for catering and operations work, the total number of such workers in the year was 31 (2013 39).

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

	2014	2013
£60,000 - £69,999	-	1
£70,000 - £79,999	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

Total pension contributions for higher paid staff during the year was £8,240 (2013 £1,300).

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

12. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2013 and 31 March 2014	<u>1,401,298</u>	<u>366,850</u>	<u>1,768,148</u>
DEPRECIATION			
At 1 April 2013 and 31 March 2014	<u>64,664</u>	<u>366,850</u>	<u>431,514</u>
NET BOOK VALUE			
At 31 March 2014	<u>1,336,634</u>	<u>-</u>	<u>1,336,634</u>
At 31 March 2013	<u>1,336,634</u>	<u>-</u>	<u>1,336,634</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	75,624	59,984
Other debtors	<u>8,658</u>	<u>7,541</u>
	<u>84,282</u>	<u>67,525</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Bank loans and overdrafts	7,592	5,685
Trade creditors	134,760	99,373
Taxation and social security	63,507	39,589
Other creditors	<u>159,192</u>	<u>167,135</u>
	<u>365,051</u>	<u>311,782</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Bank loans	<u>53,758</u>	<u>61,291</u>
 Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>21,465</u>	<u>29,792</u>

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2014 £	2013 £
Bank loans	<u>61,350</u>	<u>66,976</u>

The bank loan is secured on 4 Red Lion Lane, a property owned by the Charity.

17. MOVEMENT IN FUNDS

	At 1.4.13 £	Net movement in funds £	Transfers between funds £	At 31.3.14 £
Unrestricted funds				
General fund	1,019,801	30,827	28,647	1,079,275
Arts development and producing	250,204	76,517	(23,647)	303,074
Old Fire station designated fund	<u>16,658</u>	<u>1,605</u>	<u>(18,263)</u>	<u>-</u>
	1,286,663	108,949	(13,263)	1,382,349
Restricted funds				
Youth Participation	3,025	-	-	3,025
Caravan	38,447	(2,141)	-	36,306
Creative Communities	26,042	(12,666)	-	13,376
The Learning Revolution	1,161	-	-	1,161
Families in the Making	2,391	850	-	3,241
Maltings Makers	610	5,000	-	5,610
Pass Project	(16,156)	16,874	-	718
Farnham Museum	16,851	(1,515)	(4,000)	11,336
Restoring the Fabric	(192)	804	-	612
Waverley Youth Arts Festival	4,320	(439)	-	3,881
Jubilee Craft commission	3,710	(9,161)	-	(5,451)
Digital cinema	(18,631)	(2,537)	18,263	(2,905)
Arts Council England - Arrivals and departures	-	3,773	-	3,773
Arts Council England - Catalyst	-	49,465	-	49,465
Esme Fairbairn - Greenhouse	-	126,382	(1,000)	125,382
Mind Full Project	-	4,724	-	4,724
NT symposium	-	17,280	-	17,280
Pop-up Craft	-	(1,226)	-	(1,226)
CEP Programme	<u>-</u>	<u>19,920</u>	<u>-</u>	<u>19,920</u>
	61,578	215,387	13,263	290,228
TOTAL FUNDS	<u>1,348,241</u>	<u>324,336</u>	<u>-</u>	<u>1,672,577</u>

FARNHAM MALTINGS ASSOCIATION LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2014**

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,254,245	(1,223,418)	30,827
Arts development and producing	841,128	(764,611)	76,517
Old Fire station designated fund	1,643	(38)	1,605
	<u>2,097,016</u>	<u>(1,988,067)</u>	<u>108,949</u>
Restricted funds			
Caravan	-	(2,141)	(2,141)
Creative Communities	25,500	(38,166)	(12,666)
Families in the Making	3,700	(2,850)	850
Maltings Makers	5,000	-	5,000
Pass Project	83,394	(66,520)	16,874
Farnham Museum	102,876	(104,391)	(1,515)
Restoring the Fabric	804	-	804
Waverley Youth Arts Festival	2,500	(2,939)	(439)
Jubilee Craft commission	-	(9,161)	(9,161)
Digital cinema	-	(2,537)	(2,537)
Arts Council England - Arrivals and departures	12,140	(8,367)	3,773
Arts Council England - Catalyst	65,000	(15,535)	49,465
Esme Fairbairn - Greenhouse	136,441	(10,059)	126,382
Mind Full Project	5,000	(276)	4,724
NT symposium	17,280	-	17,280
Pop-up Craft	500	(1,726)	(1,226)
CEP Programme	44,700	(24,780)	19,920
	<u>504,835</u>	<u>(289,448)</u>	<u>215,387</u>
TOTAL FUNDS	<u><u>2,601,851</u></u>	<u><u>(2,277,515)</u></u>	<u><u>324,336</u></u>

FARNHAM MALTINGS ASSOCIATION LIMITED

Notes to the Financial Statements - continued for the year ended 31 March 2014

17. MOVEMENT IN FUNDS - continued

Description of funds:

Restricted funds

Creative communities - this represents funds received to run art clubs for young people at The Chantry's and Hadrian's Hall on Roman Way, Farnham.

Caravan - this represents funds received from Arts Council of England for international export programme for the performing arts sector.

The Learning Revolution - this represents funds received to deliver a programme of adult learning activities to coincide with the Learning Revolution Festival.

Families in the Making - this represents funds for after school sessions for families run in four of the Boroughs priority wards.

PASS project - this is a three year interreg funded project to support contemporary circus.

Farnham Museum - this is a service level agreement, initially, for three years to manage the museum of Farnham.

Waverley Youth Arts Festival - this is a one day celebration of theatre by young people

Jubilee craft commission - this represents funds to improve the riverside of the building in partnership with Farnham Town Council and private donations.

Digital Cinema - this is a capital project to move the film programme to a digital platform.

Craft connects - this is a one year programme of work funded by the British Army of Rushmore

Mind full - this is a one year programme of training, adjustments and activities funded by Dementia Friendly Surrey to establish the venue as a welcoming, safe and responsive set of spaces.

Pop-up Craft - this represents funding for families to reawaken the creativity of adults and learning with their children in informal and non-educational environments.

Designated funds

Arts development and producing - these are 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 - these are funds received from Surrey County Council and Self Start to support the development of artists' work spaces.

TRANSFERS BETWEEN FUNDS

The transfers between funds have been made to reflect the costs previously incurred out of general funds in supporting the work undertaken on these specific projects.

18. RELATED PARTY DISCLOSURES

F Baxter, the daughter of a trustee, was remunerated £28,585 (2013 £27,295) during the year for her role as producer of the touring company.