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**Report of the Trustees' and
Financial Statements
For the Year Ended 31 March 2007
For
Halsway Manor Society Limited**

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HALSWAY MANOR SOCIETY LIMITED

Directors' and Trustees' Annual Report for the year ended 31st March 2007

As Directors and Trustees of the charitable company the Council presents its Annual Report for the year ended 31st March 2007

1 Legal and administrative information

1.1 Charity name

The name of the charity is "Halsway Manor Society Limited"

1.2 Registered charity number – 247230

1.3 Company Registration Number – 849615

1.4 Status and governing document

The charity is constituted as a company limited by guarantee and not having a share capital under the Companies Act and is governed by the terms of its Memorandum and Articles of Association

1.5 Trustees

The Council are the Directors and Trustees of the charity Members of the Council during the year were -

Mrs E R Bromell	(resigned 9 August 2006)
Mr P Bull	(died 6 April 2007)
Mr A B Corkett	(elected 1 October 2006)
Mr R Goodswen	
Mr C R Little	
Mrs S Swann	
Mr J Turner	(resigned 30 September 2006)
Mr R Williams	(elected 1 October 2006)
Mr A Wilson	
Mr A Hill	
Mr A Kelly	(elected 1 October 2006)
Mr A Davies	(elected 1 October 2006)
Mrs E Norman	(elected 1 October 2006)
Mrs E Bromell	(appointed 1 October 2006)

Council members are elected or appointed in accordance with the charitable company's Articles of Association and with Company Law

1.6 Other information

Registered Office	Auditors	Principal bankers
Halsway Manor Crowcombe Taunton Somerset TA4 4BD	A C Mole & Sons Riverside House Bridgwater Somerset TA6 4BH	Lloyds TSB plc Fore Street Williton Somerset TA4 4QT

1.7 Policies and procedures adopted for the induction of trustees

The procedure adopted for inducing new trustees starts at the first short meeting immediately following the AGM when the trustees are appointed. At this meeting, they are supplied with a number of relevant documents, minutes from the previous meeting, a copy of the Memorandum and Articles of Association, a copy of the previous year's Annual Report and Accounts, a copy of the Charity Commission booklet "Responsibilities of Charity Trustees". They are also requested to complete the statutory document required by Companies House. It has been decided that, as part of the induction process, the first Board meeting after the day of the AGM would be run as a two-day event. This extended meeting would give the new trustees a good length of time to become quickly acquainted

HALSWAY MANOR SOCIETY LIMITED

Directors' and Trustees' Annual Report for the year ended 31st March 2007

with the practices of the Board and serve as a good introduction to the other members, especially during the less formal periods when any remaining questions could be dealt with

1 8 Management

Day to day management of the charity is delegated to the manager (currently Cliff Branson)

1 9 Risk management

The trustees have considered that the major risk to the charity is the loss of use of the Buildings for an extended period, resulting from a fire or a similar catastrophe. To manage this risk they have undertaken suitable Insurance cover, and risk assessment is undertaken on a regular basis by the manager to ensure the safety precautions at the Manor are maintained.

Another risk perceived by the trustees is the possible reduction in income following a reduction in students. To manage this risk, steps are constantly being taken to extend and vary the courses run at the Manor to ensure attendance is maintained.

2 Charitable objects and policies

2 1 Charitable objects of Halsway Manor Society Limited

Halsway Manor Society Limited is established to preserve, for the benefit of the public, English folk dances, songs and other folk music, dance and song (including singing games), to make them known and to encourage the practice of them in their traditional forms and to use and maintain Halsway Manor as a hub for these activities.

2 2 Summary of policies adopted

The policies of the Council may be summarised as the Preservation, Practice and Promotion of traditional folk music, dance and song, particularly in the English tradition, in the residential facilities provided at the Manor, Mews and associated grounds.

The major thrust of the preservation policy is through the Kennedy-Grant Library, which we are continually seeking to expand.

The practice continues through the increasing number and variety of events being held at the Manor.

We are promoting the work by placing more emphasis on education and outreach with particular regard to the encouragement of young people.

3 Organisational structure

Overall direction of the charity's affairs is the responsibility of the Council, which comprises up to twelve elected members. In addition a further three members may be appointed by the Council. The Council generally meets once a month.

The Council decides all matters of strategy and principle but some detailed supervision of the charity's activities is delegated to individual members of Council with defined terms of reference and specified levels of authority. Final authority always lies with Council as a whole.

All staff at Halsway Manor, including the Manager, office staff and domestic and catering staff are employed by the Society.

4 Review of the Year. Development, Activities and Achievements

This year has seen us increasing and diversifying the type and number of courses we run, in an effort to more accurately fulfil our aims and objectives. Not all our efforts have been successful but we have widened our appeal and look forward to further expansion in the future. We have achieved the expansion thanks, in no small measure, to our voluntary events manager who spends a great deal of his time discovering new ways in which we can present the Manor.

HALSWAY MANOR SOCIETY LIMITED

Directors' and Trustees' Annual Report for the year ended 31st March 2007

We continue to improve the facilities and have now en-suited three rooms in the Manor and refurbished them. Lancashire Folk are responsible for the funding for two of the rooms and the third has been funded by a donation in memory of Irene Pike.

Our grateful thanks go to both donors. The new Manor Boilers are now being installed and should be operational before the AGM takes place. Whilst these changes have been taking place we have discovered that the plumbing also needs attention, as it was never designed for 21st Century living, and we hope to tackle this as funds permit.

We were shocked and greatly saddened by the sudden death of Paul Bull, one of the Trustees. He was closely involved with the Society for many years and recently has been very ably looking after the Estate Maintenance. We shall miss his wise words.

Our Archivist, Graham Roberts has moved away from the area and resigned his position. We are indebted to him for all his efforts over the years and particularly for his book 'The Story of Halsway Manor', the copyright of which he has kindly donated to the Society.

Once again we have to express our thanks to those many people who have voluntarily undertaken tasks to improve the facilities. This year we have tried to keep a check on the number of hours 'donated' by our volunteers and it seems, that as a minimum, they amount to the equivalent of 4 full-time members of staff – quite an achievement. There are too many to name but we are most grateful for their tireless efforts.

Our 'Friends' have excelled themselves this year by producing funding when and where it was most needed. It seems that whenever we have a shortfall they can step in and assist to overcome the difficulty. We would be sorely pressed without their continuing help.

5 Financial Review

5.1 Review of the year

The last financial year has been rather like the curates egg - good in parts.

Income from Folk Events for the year exceeded that earned in the previous year by £49,254.

However, Trading Income decreased by £41,379, a drop of 34%. To put these figures into context Trading Income over the past four years, whilst it has varied widely both up and down each year, has increased overall by 10%. Income from Charity Activities over the same four years has increased by 70%, made up of encouraging successive year on year increases of 17%, 13%, 8% & 18%.

Total expenditure in the year exceeded that in 2005-2006 by £49,008. This increase was due chiefly to costs of maintenance and improvements to our premises, including those made necessary by the requirements of Health and Safety regulations. £34,922 of the cost of these improvements has been met out of Restricted and Donated Funds. The capital nature of some of these works has added £31,621 to the book value of our fixed assets. However the net current assets have reduced by £55k.

Donations and grants received in the year amounted to £19,152. These were made up of £4,678 raised and donated by the Friends of Halsway Manor, a £5,000 grant from the Wyvern Trust, a donation of £1,000 to the Library Development Fund, further gifts in response to the Dance for Halsway Appeal and numerous others. Without such donations and legacies, most of the improvements which are being made to The Manor would not be possible. Even so, to help pay for these works we have had to use our small reserves to the point now where any further progress with these improvements will depend upon the continued generosity of our friends, a significant increase in event and trading income and finding appropriate grants.

5.2 Financial reserves

At present, the charity's income is only just sufficient for its normal working needs. Therefore there are no funds available to be set aside for reserves. At the year end unrestricted funds of £307,791 and restricted funds of £34,310 were held by the charity.

HALSWAY MANOR SOCIETY LIMITED

Directors' and Trustees' Annual Report for the year ended 31st March 2007

6 Statement of the Council's responsibility for the accounts

The purpose of this statement is to distinguish the Council's responsibilities for the accounts from those of the auditors, as stated in their report

Company Law requires the Council to prepare financial statements for each year that give a true and fair view of the state of affairs of the charitable company and of its group at the end of the year and of the surplus or deficit for the period. In preparing those statements the Council is required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) follow applicable accounting policies and the Charities SORP, disclosing and explaining any departures in the financial statements, and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Society will continue in operation

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Society and which enable them to ensure that the accounts comply with the Companies Act 1985. It is 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

7 Statement as to Disclosure of Information to Auditors

The Council have provided all relevant audit information to the auditors as far as they are aware. The Council have taken all steps expected of them to make themselves aware of any relevant information

The Directors and Trustees Report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Council on 16 August 2007 and signed on their behalf by



N J Gardner (Company Secretary)

HALSWAY MANOR SOCIETY LIMITED

KENNEDY-GRANT MEMORIAL LIBRARY

ANNUAL REPORT TO THE HALSWAY MANOR SOCIETY

The major event this year was the acquisition of the Peter Kennedy Collection and the library being renamed the Kennedy-Grant Memorial Library. The collection consists of some 3,000 books, pamphlets and periodicals, 6,000 records and 2,000 cassettes.

The books which were his private library will stay at Halsway Manor and it is anticipated that the reel to reel tapes of field recordings and the documentation relating to these will be accepted by the British Library Sound Archive and eventually they will make digital copies for the K-GML. The collection includes some fascinating material showing the historical and social context in which folk song, music and dance evolved as well as strictly folk related material.

A landmark event for us has been to finally complete work on the stock of the original Margaret Grant Library. The material has all been repaired, labelled and catalogued electronically on to a database. This can be searched on the computer and viewed in print form in the library or accessed via the web page. A leaflet to advertise the library has also been produced.

Work on the Peter Kennedy Collection is progressing steadily. Cynthia has now opened and sorted 20 of the 80 boxes of books and some have been added to the catalogue. Deryck Deane has heroically taken on the job of digitising the cassettes and, after many hours of painstaking work, the first box has been transferred to CD.

The challenge ahead is to provide a way to display and access the whole stock and create a centre of information, study and research for all those interested in the folk tradition. It is imperative that the problems of storage are addressed and it would be wonderful if plans for a new library and archive behind the Mews could be implemented.

We have been fortunate to obtain the help of Gillian Payne, a historian, as archivist to carry on the sterling work of Graham Roberts, the author of *The Story of Halsway Manor*, who has moved from the area to be near his family. Gillian is beginning work on the archive material we have stored away.

The Friends of Halsway have, generously, paid for EFDSS Journals and Dance and Song Magazines to be bound to bring up to date the existing runs of bound copies. Christine Corkett and Sheila Hughes have, very kindly, made new curtains for the library from donated material and it has never looked so smart.

We are absolutely delighted with *William Winter's Quantocks Tune Book* transcribed and edited by Geoff Woolfe, produced with the help of Alan Corkett and published by the Halsway Manor Society. To have made this original manuscript widely available is a credit to the library and to Halsway Manor Society.

Cliff Branson and his staff, as ever, have been most helpful and supportive. Without their assistance we would make little progress.

Cynthia and Bonny Sartin

HALSWAY MANOR SOCIETY LIMITED

Independent Auditors' Report to the Members of Halsway Manor Society Limited

We have audited the financial statements of Halsway Manor Society Limited for the year ended 31 March 2007 which comprise Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members, as a body, of the Charity. Our audit work has been undertaken so that we might state to the 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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council and Auditors

The Council's responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Charity has not kept proper financial records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Group is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the Charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the Group and the Charity's state of affairs as at 31 March 2007 and of the Group's incoming resources and resources expended, including its income and expenditure in the year then ended, and have been properly prepared in accordance with the Companies Act 1985
- the information given in the Trustees' Report is consistent with the Financial Statements



A C MOLE & SONS

Chartered Accountants and Registered Auditors

Riverside House
Riverside Business Park
Wylds Road
Bridgwater
Somerset TA6 4BH
Date 4 September 2007

HALSWAY MANOR SOCIETY LIMITED

Consolidated Statement of Financial Activities for the Year ended 31st March 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2007 £	Total 2006 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income						
Friends of Halsway		-	4678	-	4678	7000
Other donations and gifts		4632	9842	-	14474	48281
Activities for generating funds	2	82476	-	-	82476	124243
Investment income		3168	-	-	3168	3198
Incoming resources from charitable activities	2	332711	-	-	332711	282958
Other incoming resources		2021	-	-	2021	954
Total Incoming Resources		<u>425008</u>	<u>14520</u>	<u>-</u>	<u>439528</u>	<u>466634</u>
Resources Expended						
Cost of generating funds						
Fundraising trading cost of goods sold and other costs	5	102946	-	-	102946	112984
Charitable activities	3	279449	20092	-	299541	264704
Governance costs	4	61125	-	-	61125	50945
Total Resources Expended		<u>443520</u>	<u>20092</u>	<u>-</u>	<u>463612</u>	<u>428633</u>
Net Incoming Resources before Transfers		(18512)	(5572)	-	(24084)	38001
Transfers between funds	14	14830	(15830)	1000	-	-
Net Incoming Resources Before Unrecognised Gains for the Year	7	(3682)	(21402)	1000	(24084)	38001
Net Gain on Investments		242	-	-	242	3955
Net Movement on Funds		(3440)	(21402)	1000	(23842)	41956
Balances brought forward at 1st April 2006		311231	54712	-	365943	323987
Balances carried forward at 31st March 2007		<u>307791</u>	<u>33310</u>	<u>1000</u>	<u>342101</u>	<u>365943</u>

HALSWAY MANOR SOCIETY LIMITED

Consolidated Summary Income and Expenditure Account for the Year ended 31st March 2007

	2007	2006
	£	£
Continuing Operations		
Gross income from all sources	<u>439528</u>	<u>466634</u>
Total income	439528	466634
Total expenditure out of income funds	<u>(463612)</u>	<u>(428633)</u>
Net income for the year	<u>(24084)</u>	<u>38001</u>

Total income comprises £425,008 for unrestricted funds and £14,520 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities on page 7.

Turnover for the trading subsidiary amounted to £80,277 (2006: £121,656).

Detailed analyses of expenditure are provided in the Statement of Financial Activities and in notes 3 to 6.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 7 which, together with the notes to the financial statements on pages 10 to 18, provides full information on the movements during the year on all funds of the group.

The parent charity's net deficit for the year was £24,084 (2006: surplus £26,372).

The consolidated net result for Companies Act purposes comprises net incoming resources for the year plus the trading company's net profit, less unrealised gains on investments, and was a deficit of £24,084 (2006: a surplus of £38,001).

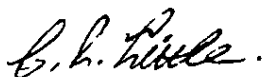
HALSWAY MANOR SOCIETY LIMITED

Balance Sheets as at 31st March 2007

	Notes	Group		Charity	
		2007 £	2006 £	2007 £	2006 £
Fixed Assets					
Tangible fixed assets	8	309891	278270	309891	278270
Investments					
Shares in group undertakings	9	-	-	2	2
		<u>309891</u>	<u>278270</u>	<u>309893</u>	<u>278272</u>
Current Assets					
Stocks	11	5118	4987	3495	3291
Debtors	12	15585	19025	12998	11095
Investments	10	19197	18955	19197	18955
Cash at bank and in hand		<u>93324</u>	<u>140159</u>	<u>93224</u>	<u>140058</u>
		133224	183126	128914	173399
Creditors:					
Amounts falling due within one year	13	<u>101014</u>	<u>95453</u>	<u>96706</u>	<u>85728</u>
Net Current Assets		<u>32210</u>	<u>87673</u>	<u>32208</u>	<u>87671</u>
Total Net Assets	15	<u>342101</u>	<u>365943</u>	<u>342101</u>	<u>365943</u>
Funds					
Endowment	14	1000	-	1000	-
Restricted	14	33310	54712	33310	54712
Unrestricted other charitable funds	14	<u>307791</u>	<u>311231</u>	<u>307791</u>	<u>311231</u>
		<u>342101</u>	<u>365943</u>	<u>342101</u>	<u>365943</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Council on 16 August 2007 and signed on its behalf by



C R Little (Chairman)



A Hill (Finance Officer)

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

1 Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in 2005, the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985

Basis of consolidation

The group accounts consolidate the accounts of Halsway Manor Society Limited and its wholly-owned non-charitable subsidiary trading company Halsway Manor Limited on a line by line basis

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate income & expenditure account or statement of financial activities has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP 2005

Going concern

The accounts have been prepared on a going concern basis. This basis assumes that the nature and level of the charity's present activities will continue for the foreseeable future

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For material legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received

Donations and gifts are accounted for when received, as are members' subscriptions. Income tax reclaimed in relation to amounts received under gift aid is included in the accounting period in which it is received

Gifts in kind are included at the value to the Charity and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers

Income generated on the endowment fund are unrestricted

Resources expended

All resources expended are accounted for on an accruals basis and are classified under headings that aggregate all costs related to the category

As far as possible, fundraising costs, support costs and administrative costs are separately identified at the time they are incurred. Costs not directly attributable to any of the principal expenditure headings are apportioned on a fair and reasonable basis by the Council

Fixed assets

All fixed assets are stated at purchase cost plus incidental expenses of acquisition, less depreciation until 31st March 2004

The Society maintains the value of the assets collectively by virtue of a policy of repair or replacement as appropriate such that further depreciation is deemed inappropriate. Accordingly, the renewals basis has been in use since 1st April 2004 whereby the cost of repair or replacement of existing assets is charged against income as incurred whilst the Balance Sheet value of Fixtures, Fittings & Equipment is increased for the cost of additional items or any element of improvement

In the opinion of the Council the residual value of the freehold buildings is not considered to be less than cost such that no depreciation charge arises in respect of these assets

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

1 Accounting Policies (continued)

Heritage assets

Heritage assets are only included in the balance sheet if a reliable valuation of the items are available. If items are not thought to be material no professional valuation will be carried out as this would not be cost effective.

Stock

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

Taxation

No charge to taxation arises in respect of any of the activities of the charitable company by reason of its charitable status.

Irrecoverable VAT

VAT that is irrecoverable following partial exemption calculations is included as an expense in the SOFA.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objectives of the charity, and which have not been designated for other purposes. Restricted funds are to be used for specific purposes as laid down by the donor.

2 <u>Operating Activities</u>	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Activities in furtherance of the charity's objectives				
Members subscriptions	3370	-	3370	2871
Folk events	329341	-	329341	280087
	<u>332711</u>	<u>-</u>	<u>332711</u>	<u>282958</u>
Activities for generating funds				
Society events	2199	-	2199	2587
Trading income	80277	-	80277	121656
	<u>82476</u>	<u>-</u>	<u>82476</u>	<u>124243</u>
3 <u>Direct Charitable Expenditure</u>				
Traditional folk music, dance and song events				
Planning and organisation of folk events				
Administrative support costs	14039	-	14039	9493
Staff costs	40851	-	40851	33816
Board and accommodation				
Staff costs	81966	-	81966	86917
Food & consumables	63110	-	63110	44765
External accommodation	-	-	-	403
Other direct costs	12311	2071	14382	8243
Establishment and amenity costs				
Maintenance of property, equipment & grounds	30510	18021	48531	53258
Staff costs	8022	-	8022	6274
Rates, insurance & utilities	28640	-	28640	21535
	<u>279449</u>	<u>20092</u>	<u>299541</u>	<u>264704</u>

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

4 Management and Administration of the Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2007	Total Funds 2006
	£	£	£	£
Staff costs	32892	-	32892	26317
Establishment costs	3822	-	3822	5408
Administrative expenses	7005	-	7005	6367
Audit & professional fees	6871	-	6871	4800
Bank charges	1051	-	1051	1090
Interest payable	4	-	4	17
Travel expenses	8828	-	8828	6946
VAT surcharges	652	-	652	-
	<u>61125</u>	<u>-</u>	<u>61125</u>	<u>50945</u>

5 Costs of Generating Funds

Board and accommodation	32392	-	32392	38162
Bar purchases	12374	-	12374	14807
Musicians fees and other event costs	-	-	-	782
Advertising and publicity	4482	-	4482	2039
Staff costs	21852	-	21852	18346
Establishment costs	25106	-	25106	32908
Administration	6740	-	6740	5940
	<u>102946</u>	<u>-</u>	<u>102946</u>	<u>112984</u>

6 Allocation of support

The charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Charitable Activities	Fundraising	Governance
	£	£	£
Administrative expenses	14039	6740	7005
Staff costs	130839	21852	32892
Establishment costs	51244	28100	4356
	<u>196122</u>	<u>56692</u>	<u>44253</u>

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

7 Changes in Resources Available for Charity Use

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2007 £	Total 2006 £
Net movement in funds for the year	(3682)	(21402)	1000	(24084)	38001
Resources used for the acquisition of fixed assets	<u>(31621)</u>	<u>-</u>	<u>-</u>	<u>(31621)</u>	<u>(17592)</u>
Net Movement in Funds Available for Future Activities	<u>(35303)</u>	<u>(21402)</u>	<u>1000</u>	<u>(55705)</u>	<u>20409</u>

8 Tangible Fixed Assets

Group	Freehold Land and Buildings £	Caravans & Temporary Buildings £	Fixtures, Fittings & Equipment £	Total £
Cost				
At 1st April 2006	242483	-	102437	344920
Additions	<u>20722</u>	<u>8847</u>	<u>2052</u>	<u>31621</u>
At 31st March 2007	<u>263205</u>	<u>8847</u>	<u>104489</u>	<u>376541</u>
Depreciation				
At 1st April 2006 and 31st March 2007	<u>-</u>	<u>-</u>	<u>66650</u>	<u>66650</u>
Net book values				
At 31st March 2007	<u>263205</u>	<u>8847</u>	<u>37839</u>	<u>309891</u>
At 31st March 2006	<u>242483</u>	<u>-</u>	<u>35787</u>	<u>278270</u>
Charity				
Cost				
At 1st April 2006	242483	-	98035	340518
Additions	<u>20722</u>	<u>8847</u>	<u>2052</u>	<u>31621</u>
At 31st March 2007	<u>263205</u>	<u>8847</u>	<u>100087</u>	<u>372139</u>
Depreciation				
At 1st April 2006 and 31st March 2007	<u>-</u>	<u>-</u>	<u>62248</u>	<u>62248</u>
Net book values				
At 31st March 2007	<u>263205</u>	<u>8847</u>	<u>37839</u>	<u>309891</u>
At 31st March 2006	<u>242483</u>	<u>-</u>	<u>35787</u>	<u>278270</u>

Lloyds TSB hold a legal charge over the commercial freehold property known as Halsway Manor and Mews, and also a legal charge over the residential freehold property known as Halsway Mews

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

8 Tangible Fixed Assets (continued)

The freehold premises relate to Halsway Manor and Mews near Crowcombe, Somerset, together with ancillary buildings and grounds

The book value of £263,205 attributed to the property in the Society's Balance Sheet at the end of the year represents the cumulative historical cost to the Society of the Manor and Mews together with improvements to date. The Council believes that the current value of the property is considerably in excess of its book value, although no formal valuation has been undertaken

9 Shares in group undertakings

	Charity
	2007 2006
	£ £
Halsway Manor Limited Ordinary shares of £1 each	<u>2</u> <u>2</u>

Halsway Manor Limited was incorporated on 18th February 1993 as a wholly-owned subsidiary of the Society. The Society has licensed Halsway Manor Limited to use the property, fixtures and equipment located at Halsway Manor in the furtherance of its trading activities providing facilities for day and residential conferences, courses, weddings and social functions on a commercial basis. The company gifts all its taxable profits to the Society under the Gift Aid scheme for use in the furtherance of the Society's charitable objectives.

10 Other investments

	Group	Charity
	2007 2006	2007 2006
	£ £	£ £
Market value as at 31st March 2007	<u>19197</u> <u>18955</u>	<u>19197</u> <u>18955</u>
UK listed investments are represented by Investment trust	<u>19197</u> <u>18955</u>	<u>19197</u> <u>18955</u>

Other investments have been re-classified as current assets this year as they will be used for general purposes and are not held as an asset to generate income. It is the Council's intention to sell this investment in due course and use the money rather than re-invest it.

11 Stocks

	Group	Charity
	2007 2006	2007 2006
	£ £	£ £
Provisions and consumables	5118 4587	3495 2891
Fuel supplies	<u>-</u> <u>400</u>	<u>-</u> <u>400</u>
	<u>5118</u> <u>4987</u>	<u>3495</u> <u>3291</u>

12 Debtors

Trade debtors	2668	7322	581	192
Other debtors and prepayments	<u>12917</u>	<u>11703</u>	<u>12417</u>	<u>10903</u>
	<u>15585</u>	<u>19025</u>	<u>12998</u>	<u>11095</u>

13 Creditors: Amounts falling due within one year

Trade creditors	25146	37962	24181	35997
Customer deposits & deferred income	50783	40131	43773	31878
Owed to group undertakings	-	-	4617	1443
Other creditors and accruals	<u>25085</u>	<u>17360</u>	<u>24135</u>	<u>16410</u>
	<u>101014</u>	<u>95453</u>	<u>96706</u>	<u>85728</u>

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

14 Movements in funds

	Balance 1st April 2006 £	Incoming £	Movement in Resources Outgoing £	Transfers £	Balance 31st March 2007 £
<u>Restricted funds</u>					
Margaret Grant Library Fund	1565	1464	1646	(1000)	383
Amenity Fund	349	-	-	-	349
Youth Fund	4740	-	71	-	4669
Memorial Funds (Bradbury Fund)	315	-	-	-	315
Mews Improvement Fund	13632	-	-	-	13632
Strategic Fund	2564	-	2000	-	564
Manor Heating Fund	1063	202	1265	-	-
Dance for Halsway	5484	1216	6700	-	-
Josie Wilcox Project	25000	-	-	(13262)	11738
Library development fund	-	1274	-	-	1274
Wyvern (Grant for Boundary Wall)	-	5000	5000	-	-
Friends of Halsway Manor	-	4678	3410	(1268)	-
Other Specific Donations	-	686	-	(300)	386
Total restricted funds	54712	14520	20092	(15830)	33310
<u>Endowment funds</u>					
Margaret Grant Library Fund	-	-	-	1000	1000
<u>Unrestricted funds</u>	311231	425250	443520	14830	307791
Total funds	365943	439770	463612	-	342101

Unrestricted funds are held for the ordinary purposes of the Charity and are unrestricted as to their use

Restricted funds are funds which are subject to external restrictions on how they are spent

The Margaret Grant Library Fund is held for the purpose of compiling a library of books, records and tapes on the theme of folk dance, song and other folk traditions. Of the opening balance, £1,000 was received by way of a bequest of capital from which the interest may be utilised. This was transferred to show as a separate endowment fund this year.

The Amenity Fund comprises income received for the purpose of acquiring items of special interest associated with the traditions of folk music, dance and song.

The Youth Fund comprises income received for the purpose of promoting the involvement of young people in the tradition of folk music, dance and song.

The Memorial Funds comprise income received in memory of individuals to be utilised in specific ways as agreed with the respective families. The Bob Bradbury Fund is now the only fund being carried forward.

The Mews Improvement Fund is to raise funds for building work to be carried out on the Mews.

The Strategic Fund is to provide for future developments relating to the structure of the Manor.

The Josie Wilcox Project comprised income received for the refurbishment and en-suiting of the bedrooms in the manor. As it is capital expenditure the amount spent in the year has been transferred to the unrestricted fund.

The library development fund consists of receipts received for this purpose.

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

14 Movement in funds continued

A grant was received from Wyvern to be used on work on the boundary wall. It has been expended in the year.

Friends of Halsway Manor donate money to be used against various specific items throughout the year.

Other Specific Donations comprise of small donations made for a specified purpose. The balance carried forward is made up of three separate donations, Judith Inman, Song Club 2006/07 and HM Folk Group.

15 Analysis of group net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2007 £	2006 £
Fund balances at 31st March 2006 are represented by					
Fixed assets	303843	6048	-	309891	297225
Current assets	104962	27262	1000	133224	164171
Current liabilities	(101014)	-	-	(101014)	(95453)
Total Net Assets	<u>307791</u>	<u>33310</u>	<u>1000</u>	<u>342101</u>	<u>365943</u>

16 Trading Company

Halsway Manor Limited - See note 9. Audited accounts are filed with the Registrar of Companies and the following is a summary of the company's trading results.

	2007 £	2006 £
Turnover	80277	121656
Cost of sales	(44766)	(52969)
Gross profit	35511	68687
Operating and administrative expenses	(35511)	(57058)
Net profit	-	11629
Amount paid to Halsway Manor Society Limited under Gift Aid	-	(11629)
Retained profit	-	-

17 Cost of audit and other financial services

	2007 £	2006 £
For the Society and its trading subsidiary		
Audit fees	4150	4150
Other services provided by the auditors	3591	4120
	<u>7741</u>	<u>8270</u>

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

18 Staff Costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Wages and salaries	175902	-	175902	157191
Social security costs	14111	-	14111	14479
Agency staff costs	18340	-	18340	-
	<u>208353</u>	<u>-</u>	<u>208353</u>	<u>171670</u>

Agency staff were used when they were in the process of recruiting to fill any vacancies in the short term. All agency staff are paid through the agency, Halsway Manor Society Limited pay the agency for the use of their staff.

The average equivalent full-time number of employees, analysed by function, was

Direct charitable activities		
Domestic & catering staff	6.5	6
Planning & organisation of folk events	1	1
Management and administration of the charity	2	2
Generating funds -		
Direct costs of activities	2	2
Management & administrative staff	1	1
	<u>12.5</u>	<u>12</u>

No employee earned £60,000 or over

19 Members of Council

The members of Council are the directors and trustees of the charitable company. No Council member has received any remuneration for services as a director, trustee or member of Council but some members also act as leaders at folk events for which they are remunerated at the appropriate rate. Expenses incurred for travelling and administration costs, amounting to £7,402 (2006 - £3,921), were reimbursed to 11 members of Council during the year.

20 Related party transactions

The parent undertaking, Halsway Manor Society Limited, is taking advantage of the disclosure exemption conferred by Financial Reporting Standard 8 'Related Party Transactions' in relation to its subsidiary undertaking, Halsway Manor Limited, on the grounds that it controls more than 90% of the voting shares in that subsidiary undertaking.

During the year, no contracts or transactions were entered into by the parent undertaking, Halsway Manor Society Limited, in which any of the members of Council had a material interest.

21 Controlling Party

The Society is controlled by its members.

HALSWAY MANOR SOCIETY LIMITED

Notes to the Financial Statements for the Year ended 31st March 2007

22 Heritage assets

During the year the Charity received the "Kennedy Collection", a collection of approximately 3000 books and some audio-visual materials relating to the history of folk music. The Charity is currently cataloguing all the books in the collection. This process has not currently revealed that there are any items of a material nature, it has therefore been decided that they will not get the collection valued at the present time. If the process reveals anything in the future a valuation will be considered.