



Halsway Manor Society Limited

Annual Report and Accounts for the Year to 31 March 2002



**Registered Charity No. 247230
Company No. 849615**

Halsway Manor Society Limited

Annual Report and Accounts for the Year to 31 March 2002

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Halsway Manor Society Limited

Directors and Trustees Annual Report for the Year to 31 March 2002

As Directors and Trustees of the charitable company the Council presents its Annual Report for the year ended 31 March 2002.

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:

Mr. P.B. Aplin
Mrs. C.A. Bigwood
Mrs. E.R. Bromell
Mr. D.J. Byron
Mr. A.B. Corkett
Mr. B.J. Heaton
Mr. C.R. Little
Mr. A.D. McClure
Mrs. E.M. Palmer
Mrs. S. Swann
Mr. J. Turner
Mr. R Conway (appointed November 2001)

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

Halsway Manor Society Limited

Directors and Trustees Annual Report for the Year to 31 March 2002

1.6 Other information

Registered office	Auditors	Principal bankers
Halsway Manor Crowcombe Taunton Somerset TA4 4BD	Amherst & Shapland Chartered Accountants Castle Lodge Castle Green Taunton Somerset	Lloyds TSB plc Fore Street Williton Minehead Somerset

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.

2.2 Summary of policies adopted

The principal policy of the Council is to continue to provide residential facilities for the practice and improvement of folk dance and song, particularly in the English tradition. These facilities are provided at the Manor and the Mews. These properties are considered to be worth significantly more than their book values, and account for the greater part of the Society's reserves. It is the policy of the Council to continue to preserve the Manor, Mews and grounds, and to use them for the promotion of folk music and dance.

As funds become available the Council intends to continue to facilitate courses especially for young people to encourage them in their appreciation and enjoyment of traditional folk music.

The Margaret Grant Library will be expanded whenever relevant books, records or tapes become available.

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 of the Council may be appointed by the Council. The Council meets every month.

The Council decides all matters of strategy and principle but some detailed supervision of the charity's activities is delegated to committees with defined terms of reference and specified levels of authority. These committees look after financial reports, personnel, property, business development and delegated authorities. They report on a monthly basis to the Council as a whole.

Halsway Manor Society Limited

Directors and Trustees Annual Report for the Year to 31 March 2002

3. Organisational structure (continued)

Planning and organisation for charitable events and other activities is the responsibility of the Business Development Committee, assisted by the manager. All staff at Halsway Manor, including the manager, office staff, domestic and catering staff are employed by the Society.

4. Review of the Year: Development, Activities and Achievements

The year has been both demanding and rewarding, building upon the foundations of the previous year. The Council has taken best advantage of the skills and enthusiasm of the members of the various committees thus allowing well-informed decisions to be made. The whole spectrum of the Society's activity has been reviewed and appropriate action taken, where necessary. Work has been undertaken to produce Risk Assessments, which will be finalized shortly. A complete review of the Articles of Association has been undertaken and proposed amendments will be placed before the Annual General Meeting. A Business Plan has also been evolved and members will be asked to endorse the Council's recommendation – again at the A.G.M.

The Society has actively supported clubs, groups and individuals from all over the country by organizing or facilitating some 40 folk events at the Manor. Whilst many of these events are 'regulars' on our annual calendar, we have been delighted to welcome and support some new events such as David Kettlewell, Somerset Wassail, Northumbrian Pipers and Yetminster Irish Dancers.

Improvements to the fabric and the facilities at the Manor have been made. A new sewer has been laid from the Mews to connect with the main sewer from the Manor to the Septic Tank. Four bedrooms in the Mews have been brought back into use. Minor improvements and/or repairs to many rooms in the Manor have also been made. The leaded window to the Hall door has been repaired. All this has only been possible thanks to volunteer labour for which we are most grateful. The Friends of Halsway have continued to raise funds on our behalf and we are grateful for their generous support.

Despite several attempts it was not possible to appoint a new Manager by the end of the year. The acting Manager and the staff worked under much pressure throughout the year and we are most grateful to them for ensuring that our guests enjoyed their stay. Toward the end of the year our Cook resigned and we wish her well for the future. Again, the staff rose to the occasion and catered for the culinary needs of our guests with enthusiasm and flair. We are grateful to them. A new Manager was appointed at the end of April and this was shortly followed by the appointment of a new Chef – we wish them both well and are pleased to note how speedily they have settled into our midst.

Halsway Manor Ltd continues to operate as our Trading Company, organizing all non-folk events. The Society owns the only shares in the Trading Company. The Trading Company made a modest profit all of which was paid to the Charity in accordance with agreed practice.

Halsway Manor Society Limited

Directors and Trustees Annual Report for the Year to 31 March 2002

4. Review of the Year: Development, Activities and Achievements (continued)

The main asset of the Society is the physical property whose value significantly exceeds all our current and likely liabilities. Our policy is to maintain liquid assets sufficient to meet one month's normal outgoings.

The Society does not hold designated reserves but the Council reviews the situation regularly and will institute a policy as and when thought necessary.

The Council has determined the major risks to which the charity is exposed and has established systems to mitigate them.

5. Financial review

This has been a year of consolidation. Much effort has been made to maintain standards whilst reducing costs wherever possible. Most of our income has come from the folk events run at the Manor and further income has been produced by the trading company in the form of Weddings and Business Conferences. We have been fortunate in receiving a number of donations, some of which are for specific items, totalling £11,212 (2001 - £1,459) and our grateful thanks are extended to these donors. The 'Friends of Halsway Manor' have also been very active and as well as giving items, such as new lounge chairs to the manor, have donated £3,500 in recognition of the purchase of new china.

Our income from folk events was 18% down on last year but the trading company increased its income by 13%. Events run by the Society also increased to £32,224. Staff and Council made a great effort with the result that costs actually fell, mainly as a result of savings on staff wages and other cost saving initiatives.

There was continued investment in the property during the year with considerable upgrading taking place and the completion of a revised sewage system for the Mews.

An investment fund was created by depositing £15,000 in an investment trust and at the end of the year the total funds available had risen to £253,716 from £228,817 in 2001.

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 financial year which 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 that period. In preparing those financial statements the Council is required to:

Halsway Manor Society Limited

Directors and Trustees Annual Report for the Year to 31 March 2002

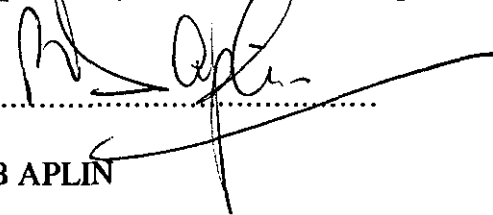
6. Statement of the Council's responsibility for the accounts (continued)

- 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.

The Directors and Trustees Annual 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 1 September 2002 and signed on their behalf by:


.....
P B APLIN

Halsway Manor Society Limited

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

We have audited the financial statements on pages 8 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

Respective responsibilities of the Council and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards are set out in the Statement of the Council's responsibilities on pages 4 and 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' and Trustees' Report. We consider the implications 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 United Kingdom Auditing Standards 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 Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 evaluate the overall adequacy of the presentation of information in the financial statements.

Halsway Manor Society Limited

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and of the group at 31 March 2002 and of the group's incoming resources and application of resources, including its income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



AMHERST & SHAPLAND
Chartered Accountants
Registered Auditor
Castle Lodge
Castle Green
Taunton

10 September 2002

Halsway Manor Society Limited

Consolidated Statement of Financial Activities for the Year ended 31 March 2002

	Note	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Incoming Resources					
Donations and gifts:					
Friends of Halsway		8,167	-	8,167	252
Other donations and gifts		5,757	5,455	11,212	1,459
Legacies		-	-	-	79,598
Activities in furtherance of the charity's objects	2	145,200	-	145,200	177,711
Activities for generating funds	2	101,144	-	101,144	88,044
Investment income		7	-	7	170
Other incoming resources		1,973	-	1,973	240
Total Incoming Resources		262,248	5,455	267,703	347,474
Resources Expended					
Costs of activities in furtherance of the charity's objects	3	162,520	1,187	163,707	215,475
Management and administration	4	14,516	-	14,516	15,081
Cost of generating funds	5	64,581	-	64,581	65,253
Total Resources Expended		241,617	1,187	242,804	295,809
Net Incoming Resources before Transfers		20,631	4,268	24,899	51,665
Transfers between funds		2,050	(2,050)	-	-
Net Incoming Resources for the Year	7	22,681	2,218	24,899	51,665
Balances brought forward at 1 April 2001		217,929	10,888	228,817	177,152
Balances carried forward at 31 March 2002		240,610	13,106	253,716	228,817

The notes on pages 11 to 21 form part of these accounts.

Halsway Manor Society Limited

Consolidated Summary Income and Expenditure Account for the Year ended 31 March 2002

	2002 £	2001 £
Continuing Operations		
Gross income from all sources	267,703	347,474
Total income	267,703	347,474
Total expenditure out of income funds	(242,804)	(295,809)
Net income for the year	24,899	51,665

Total income comprises £262,248 for unrestricted funds and £5,455 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities on page 8.

Turnover for the trading subsidiary amounted to £68,920 (2001: £61,080).

Detailed analyses of the 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 8 which, together with the notes to the accounts on pages 12 to 22, provides full information on the movements during the year on all funds of the group.

The net surplus for the year of the parent charity was £24,899 (2001: surplus £51,665).

Halsway Manor Society Limited

Balance Sheets at 31 March 2002

		Group		Charity	
	Note	2002 £	2001 £	2002 £	2001 £
Fixed Assets					
Tangible fixed assets	8	239,408	233,824	234,991	233,824
Investments:					
Shares in group undertakings	9	-	-	2	2
Other investments	10	15,000	-	15,000	-
		<u>254,408</u>	<u>233,824</u>	<u>249,993</u>	<u>233,826</u>
Current Assets					
Stocks	11	7,639	6,775	5,716	4,848
Debtors	12	22,291	15,691	19,679	22,583
Cash at bank and in hand		26,935	31,079	26,691	16,397
		<u>56,865</u>	<u>53,545</u>	<u>52,086</u>	<u>43,828</u>
Creditors:					
Amounts falling due within one year	13	47,557	48,552	38,363	38,837
Net Current Assets		<u>9,308</u>	<u>4,993</u>	<u>13,723</u>	<u>4,991</u>
Total Assets less Current Liabilities		263,716	238,817	263,716	238,817
Creditors:					
Amounts falling due after more than one year	14	10,000	10,000	10,000	10,000
Net Assets	17	<u>253,716</u>	<u>228,817</u>	<u>253,716</u>	<u>228,817</u>
Funds					
Restricted	16	13,106	10,888	13,106	10,888
Unrestricted: other charitable funds		240,610	217,929	240,610	217,929
		<u>253,716</u>	<u>228,817</u>	<u>253,716</u>	<u>228,817</u>

The financial statements 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 1 September 2002 and signed on its behalf by:

.....
D J BYRON

The notes on pages 11 to 21 form part of these accounts.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

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 October 2000 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 drawn up to 31 March each year. No income and expenditure account is presented for Halsway Manor Society Limited as permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP 2000.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated 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 SOFA has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP 2000.

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.

Cash flow statement

The Council has taken advantage of the exemption in Financial Reporting Standard No. 1 from including a cash flow statement in the accounts on the grounds that the group is a small reporting entity.

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 on covenanted amounts 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.

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.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

1 Accounting Policies (continued)

Fixed assets

All fixed assets are stated at purchase cost plus incidental expenses of acquisition, less depreciation. With the exception of freehold land, depreciation is charged in respect of all fixed assets and is calculated to write off the cost of the assets, less estimated residual value, over their expected economic lives as follows:

Fixtures, fittings & equipment	15% reducing balance basis
Computer equipment	50% reducing balance basis

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 freehold buildings.

Stocks

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.

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 Operating Activities	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Activities in furtherance of the charity's objects:				
Members subscriptions	1,138	-	1,138	988
Folk events	144,062	-	144,062	176,723
	<u>145,200</u>	<u>-</u>	<u>145,200</u>	<u>177,711</u>
Activities for generating funds:				
Society events	32,224	-	32,224	26,964
Trading income	68,920	-	68,920	61,080
	<u>101,144</u>	<u>-</u>	<u>101,144</u>	<u>88,044</u>

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

3 Direct Charitable Expenditure	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Traditional folk music, dance and song events:				
Planning and organisation of folk events:				
Staff costs	30,015	-	30,015	31,763
General office costs	7,334	-	7,334	5,799
Board and accommodation:				
Halsway Manor	97,267	-	97,267	131,938
Other accommodation	328	-	328	565
Establishment and amenity costs:				
Property maintenance	8,363	-	8,363	17,644
Equipment maintenance	2,093	-	2,093	3,212
Grounds maintenance	5,470	-	5,470	7,587
Depreciation	5,308	1,187	6,495	3,724
Loss on disposal of fixed assets	1,282	-	1,282	-
Other expenses	5,060	-	5,060	13,243
	<u>162,520</u>	<u>1,187</u>	<u>163,707</u>	<u>215,475</u>

4 Management and Administration of the Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Staff costs	4,287	-	4,287	4,537
General office costs	1,128	-	1,128	892
Accountancy and audit	1,575	-	1,575	2,200
Bank charges	1,185	-	1,185	1,402
Depreciation	599	-	599	414
Other interest payable	304	-	304	354
Hire of equipment	3,293	-	3,293	2,191
Other expenses	2,145	-	2,145	3,091
	<u>14,516</u>	<u>-</u>	<u>14,516</u>	<u>15,081</u>

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

5 Costs of Generating Funds	Unrestricted Funds	Restricted Funds	Total Funds 2002	Total Funds 2001
	£	£	£	£
Staff costs	8,575	-	8,575	9,075
General office costs	2,821	-	2,821	2,230
Board and accommodation	30,407	-	30,407	25,797
Musicians fees and other event costs	2,544	-	2,544	2,689
Bar purchases	8,600	-	8,600	10,497
Interest	-	-	-	1,522
Administration	9,372	-	9,372	10,336
Advertising and publicity	2,262	-	2,262	3,107
	<u>64,581</u>	<u>-</u>	<u>64,581</u>	<u>65,253</u>

6 Details of Total Resources Expended	2002	2001
	£	£
Staff costs		
Wages and salaries	109,309	137,216
Social security costs	6,894	8,822
	<u>116,203</u>	<u>146,038</u>

No employee earned £50,000 pa or more.

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

	2002	2001
Direct charitable activities:		
Domestic & catering staff	10	10
Planning & organisation of folk events	1	2
Grounds maintenance	-	1
Management and administration of the charity	1	1
	<u>12</u>	<u>14</u>

Staff costs relate to the Manager (responsible for the domestic & catering staff and for the day to day running of the Manor), two part-time office staff and the domestic and catering staff.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

7 Changes in Resources Available for Charity Use

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Net movement in funds for the year	22,681	2,218	24,899	51,665
Net (increase)/decrease in tangible fixed assets:				
for direct charitable purposes	(6,654)	1,187	(5,467)	(13,597)
for other purposes	(117)	-	(117)	414
Net Movement in Funds Available for Future Activities	<u>15,910</u>	<u>3,405</u>	<u>19,315</u>	<u>38,482</u>

8 Tangible Fixed Assets

Group	Freehold Land and Buildings £	Fixtures Fittings & Equipment £	Total £
Cost			
At 1 April 2001	210,373	72,696	283,069
Additions	-	13,960	13,960
Disposals	-	(5,104)	(5,104)
At 31 March 2002	<u>210,373</u>	<u>81,552</u>	<u>291,925</u>
Depreciation			
At 1 April 2001	-	49,245	49,245
Charge for year	-	7,094	7,094
Disposals	-	(3,822)	(3,822)
At 31 March 2002	<u>-</u>	<u>52,517</u>	<u>52,517</u>
Net book values			
At 31 March 2002	<u>210,373</u>	<u>29,035</u>	<u>239,408</u>
At 31 March 2001	<u>210,373</u>	<u>23,451</u>	<u>233,824</u>

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

8 Tangible Fixed Assets

Charity	Freehold Land and Buildings £	Fixtures Fittings & Equipment £	Total £
Cost			
At 1 April 2001	210,373	72,696	283,069
Additions	-	8,439	8,439
Disposals	-	(5,104)	(5,104)
At 31 March 2002	210,373	76,031	286,404
Depreciation			
At 1 April 2001	-	49,245	49,245
Charge for year	-	5,990	5,990
Disposals	-	(3,822)	(3,822)
At 31 March 2002	-	51,413	51,413
Net book values			
At 31 March 2002	210,373	24,618	234,991
At 31 March 2001	210,373	23,451	233,824

The net book value of fixtures, fittings and equipment includes £1,996 (2001 - £3,992) in respect of assets held under hire purchase.

The freehold premises relate to the main building of Halsway Manor near Crowcombe, Somerset together with ancillary buildings and grounds.

The book value of £210,373 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, however the Council believes that the current value of the property is materially different from that shown in the accounts, being considerably in excess of its book value, although no formal valuation has been undertaken.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

8 Tangible Fixed Assets (continued)	Freehold Land and Buildings £	Fixtures Fittings & Equipment £	Total £
The Net Book Value at 31 March 2002 represents Fixed Assets used for:			
Direct charitable purposes			
Halsway Manor	210,373	22,156	232,529
Other purposes			
Management & administration of the charity	-	2,462	2,462
	<u>210,373</u>	<u>24,618</u>	<u>234,991</u>

9 Shares in group undertakings	Charity	
	2002 £	2001 £
Halsway Manor Limited Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

Halsway Manor Limited was incorporated on 18 February 1993 as a wholly-owned subsidiary of the Society. The Society has licenced Halsway Manor Limited to use the the property, fixtures and equipment located at Halsway Manor in the furtherance of its trading activities providing facilities for day and residential conferences, courses 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 objects.

Halsway Manor Limited is included in the group accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in October 2000.

10 Other fixed asset investments

	Group		Charity	
	2002 £	2001 £	2002 £	2001 £
Cost				
Additions	15,000	-	15,000	-
At 31 March 2002	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>

UK listed investments are represented
by:

Investment trust	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
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The market value of investments at 31 March 2002 amounted to £14,824 (2001 - £Nil). Investments have been valued at cost in the Balance Sheet as the market value at the year end is considered to be a temporary diminution in value.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

11 Stocks	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Provisions and consumables	7,000	6,063	5,077	4,136
Fuel supplies	639	712	639	712
	<u>7,639</u>	<u>6,775</u>	<u>5,716</u>	<u>4,848</u>

12 Debtors	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	16,865	8,750	3,548	4,294
Owed by group undertakings	-	-	15,727	16,522
Other debtors and prepayments	5,426	6,941	404	1,767
	<u>22,291</u>	<u>15,691</u>	<u>19,679</u>	<u>22,583</u>

13 Creditors: Amounts falling due within one year

	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Trade creditors	6,514	9,948	5,450	6,152
Other creditors and accruals	7,649	8,907	4,116	5,499
Hire purchase creditors	1,566	3,131	1,566	3,131
Deferred income	31,828	26,566	27,231	24,055
	<u>47,557</u>	<u>48,552</u>	<u>38,363</u>	<u>38,837</u>

The bank facility is secured by a legal mortgage over Halsway Manor and Mews.

14 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Friends of Halsway Manor	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

The loan from 'Friends of Halsway Manor' has no fixed terms of repayment and does not bear any interest.

15 Capital Commitments

At 31 March 2002 there were no capital commitments contracted for (2001: £nil).

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

16 Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations held on trusts to be applied for specific purposes.

Movement in Resources:

	Balance 1 April 2001 £	Incoming £	Outgoing £	Transfers to Unrestricted Funds £	Balance 31 March 2002 £
Margaret Grant Library Fund	1,488	-	-	-	1,488
Capital Fund	7,913	-	(1,187)	-	6,726
Amenity Fund	499	-	-	-	499
Youth Fund	899	5,000	-	(2,050)	3,849
House Fund	89	-	-	-	89
Memory of Bessie Rye Fund	-	455	-	-	455
	<u>10,888</u>	<u>5,455</u>	<u>(1,187)</u>	<u>(2,050)</u>	<u>13,106</u>

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.

The Capital Fund comprises specific items of charitable income received for the purpose of improving facilities at Halsway Manor for the benefit of members of the public who participate in folk music, dance and song events organised at Halsway Manor. The Fund is utilised to the extent that capital expenditure supported by the Fund is written off by way of depreciation or otherwise in the Statement of Financial Activities / Summary Income and Expenditure Account.

The Amenity Fund comprises specific items of charitable 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 specific items of charitable income received for the purpose of promoting the involvement of young people in the traditions of folk music, dance and song.

The House Fund comprises specific items of charitable income received for the purpose of maintaining and replacing furnishings and similar items at Halsway Manor.

The Memory of Bessie Rye Fund comprises specific items of charitable income received for the purpose of providing outdoor wooden tables in accordance with the family's request.

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

17 Analysis of Group Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Fund balances at 31 March 2002 are represented by:				
Tangible fixed assets	247,682	6,726	254,408	233,826
Current assets	50,485	6,380	56,865	43,828
Current liabilities	(47,557)	-	(47,557)	(38,837)
Long term liabilities	(10,000)	-	(10,000)	(10,000)
Total Net Assets	240,610	13,106	253,716	228,817

18 Trading Company

The charity has a wholly-owned subsidiary trading company which is incorporated in the UK, Halsway Manor Limited. During the year the subsidiary trading company provided facilities at Halsway Manor for conferences, courses and other functions under the terms of a licence from the Society.

The trading company gifts its taxable profits to Halsway Manor Society Limited under the Gift Aid scheme. A summary of the company's trading results is shown below. Audited accounts are filed with the Registrar of Companies.

	2002 £	2001 £
Turnover	68,920	61,080
Cost of sales	(39,006)	(36,293)
Gross profit	29,914	24,787
Operating and administrative expenses	(10,519)	(13,224)
Net profit	19,395	11,563
Amount paid to Halsway Manor Society Limited under Gift Aid	(19,395)	(11,563)
Retained profit	-	-

19 Cost of audit and other financial services

	Group	
	2002 £	2001 £
For the Society and its trading subsidiary:		
Audit fees	1,500	1,500
Other services provided by the auditors	915	720
	2,415	2,220

Halsway Manor Society Limited

Notes to the Accounts for the Year ended 31 March 2002

20 Members of the Council

During the year no remuneration was paid to Members of the Council, who are the directors and trustees of the charitable company. Expenses incurred for travelling and administration costs, amounting to £2,068 (2001 - £497), were reimbursed to Members of the Council during the year.

21 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.

Beyond this, during the year no contracts or transactions were entered into by the parent undertaking, Halsway Manor Society Limited, in which either the Members of the Council or any of its subsidiary undertakings had a material interest.