

**HALSWAY MANOR SOCIETY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

COMPANY REGISTRATION NUMBER 00849615

CHARITY REGISTRATION NUMBER 247230

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HALSWAY MANOR SOCIETY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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HALSWAY MANOR SOCIETY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

E Bromell
A B Corkett
R Goodswen
P Hendy
K Lamport
C R Little
E Norman
R Phipps
G Poole
D Seabright
R Williams

COMPANY SECRETARY

C R Little

REGISTERED OFFICE

Halsway Manor
Crowcombe
Taunton
Somerset
TA4 4BD

AUDITORS

Albert Goodman LLP
Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

BANKERS

Lloyds TSB Bank PLC
Fore Street
Williton
Somerset
TA4 4QT

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2012

Introduction

The trustees are pleased to present their annual report together with the audited consolidated financial statements of the charity and its subsidiary trading company (Halsway Manor Limited) for the financial year 1st April 2011 to 31 March 2012

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles and Memorandum of Association of the Halsway Manor Society, and the Statement of Recommended Practice – Accounting and reporting by Charities (SORP 2005)(revised 2008)

Chair's report

Looking back on the last year, we can all have a great deal of pride in what has been achieved at Halsway. Customer satisfaction remains very high, the Society has continued to make an operating surplus and we have been able to invest both in the development of new audiences and the Manor buildings.

Paul James, our new Chief Executive, joined us at the start of the year and the Society now has a much higher profile in the wider folk world. Two examples arising out of courses at Halsway epitomise this. The first is a new tune written specially for Halsway by Nigel Eaton, an internationally renowned Hurdy Gurdy player. It is called the Halsway Carol and has been widely viewed on YouTube. The second was a concert performance at Sidmouth Folk Week by a group of 14 -20 year old musicians. This was the culmination of a course the previous week at Halsway and is an event that is being repeated at this year's festival.

There is no doubt that 2011/12 was a difficult year financially for charities and arts organisations, particularly those who are reliant on public funding and grants for their day-to-day operations. Although we are not dependant on any public funding, we are not immune from the general economic situation. There is evidence that some regular attenders are not able to take part in Manor events as often as they did in the past.

Happily, several new events providing high quality courses have been introduced, which have attracted many first time visitors to the Manor. Just as important, we have been getting very positive feedback from these courses, particularly from newcomers to Halsway who are charmed by the ambience of the Manor and impressed by the service that our staff provide.

During the year, the Board has taken a fresh view on what it is trying to achieve and we have focussed our attention on the core objectives of the Society to promote and support the practise of the traditional folk arts. The Board believes that it is especially important to look forward and provide a programme and facilities that will sustain Halsway Manor in the long term and which enables us to help a new generation to a greater understanding and enjoyment of our cultural heritage.

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

One consequence of this is that our Chief Executive has needed to be more proactive in developing the programme of courses and other Halsway events. Although we have tried to satisfy the historic requirements of our regular supporters, this has not always been possible as it has been necessary to make space in the programme for events that attract people new to Halsway, including more young people, during some of the peak periods during school and college vacations.

For the future, there is an exciting and varied programme that aims to attract people who have an interest in traditional folk arts, whether regulars at Halsway or those who have not yet enjoyed the experience. We are especially looking forward to the youth dance development work that will be starting in earnest later this year with the appointment of youth dance coordinator. We are hoping that one of the outputs from this will be a youth dance team, which can be an exemplar for other young people. Planning work on the development of the Manor itself will continue. The aim of this is to provide better performance areas and craft workshops, improve library facilities. It would also allow for separate dining area and some increase in accommodation while retaining the essential ambience of Halsway Manor.

My thanks, as ever, to the dedicated staff at the Manor for helping to make it a special place, to members of the Society for their support and especially to our many volunteers, from those who have worked tirelessly on the garden to people helping with courses and from the shop helpers to our librarian and her staff. I believe that this support, coupled with the strong financial position of the Society, means that we can look forward to the future of Halsway Manor with a great deal of confidence.

Robin Williams
Chair
Halsway Manor Society

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

Annual report

Our charitable purposes :

- To promote and support the practice of the traditional folk arts, especially as practised in England This includes traditional dance, music, song, folklore, storytelling, arts and crafts
- To conserve, maintain and develop the Halsway Manor as a hub for these activities

Our objectives

The Board of Trustees have set operational objectives for the Chief Executive as follows

- To achieve a balanced budget by 2012
- Widening the age range of participants - by attracting new people to existing courses and introducing new courses aimed at a range of age groups including young people
- Improving the educational standard of courses – by providing a range of activities for all abilities and ensuring consistent high quality teaching / course leadership.

What we do

To achieve our objectives we provide

- a range of residential courses and non-residential classes, events and activities throughout the year including traditional dance, music, song, storytelling / folklore and arts and crafts
- a unique library that contains over 10,000 books and audio recordings about folk music, dance, song, history and folklore that is free to use for visitors and the public generally
- the buildings and grounds at Halsway Manor for use by visitors and participants.

Who benefits from our activities ?

In the year which ended 31st March 2012 more than 1600 people attended residential courses and non-residential events and activities at Halsway Manor Our activities are open to all who are interested in the folk arts Participants come from all over the United Kingdom and as far afield as Europe and the USA

Governance

Halsway Manor Society is registered as a charity (number 247230) and is a company limited by guarantee (number 849615) It is governed by the terms of its Memorandum and Articles of Association which are available on its website www.halswaymanor.org.uk

The Society operates a 100% owned trading company called Halsway Manor Limited for the purpose of generating commercial income to benefit the Society – for example, from hiring the premises for weddings, meetings and training The trading profits during the year totalled £41,920 and these were paid to Halsway Manor Society under the provisions of the Gift Aid scheme

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

There were 324 Members of the Society in 2012. We encourage anyone who supports the aims of the Society to become a member. The Company Secretary on the Board of Trustees provides advice and support for anyone wishing to do so. Applicants are required to be proposed and seconded by Members of the Society and to pay an annual subscription which was £22 per year in 2011.

The Board of Trustees is drawn from the membership of the Society. Trustees are volunteers who have the responsibility for directing the affairs of the Society, and ensuring that it is well-run, and delivering the charitable outcomes for the benefit of the public for which it was set up.

In the year ended 31st March 2012 the Trustees were as follows:

E Bromell,
A B Corkett
R Goodswen
P Hendy (appointed 2 October 2011)
K Lamport
C R Little
E Norman
R Phipps
G Poole
D Seabright
R Williams (Chair)

Trustee induction and training

New Trustees are briefed on their role by the Chair of the Trustees and provided with supporting documentation including the Articles and Memorandum of Association, minutes of meetings, the previous year's Annual Report and Accounts and a copy of the Charity Commission's publication "Responsibilities of Charity Trustees". The Trustees have regular development workshops throughout the year, for example, on the objectives of the Society and priorities for achieving them.

Consideration of major risks

The Trustees have considered the major risks to the Society and are currently in the process of planning a risk and business continuity strategy to mitigate those risks.

These include:

- risks to visitors, staff and contractors and risks to the buildings (including fire risk) which are currently identified and monitored through specific risk assessments
- risks to income generated through our activities which are addressed in our priorities to broaden the customer base and the range of activities we offer.

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

Our staff

The Trustees delegate the day to day running of the Society to the Chief Executive Officer, Paul James, who took up the post in March 2011. The Chief Executive Officer manages a staff team of 15 paid staff (full and part-time) who are employed by the Society. Staff are responsible for developing the annual programme of courses, events and activities, financial, business and operational management and delivery. Some maintenance services are provided by external contractors.

Our volunteers

The Society benefits from the support of volunteers who undertake a variety of tasks including cataloguing the library collection, running the 200 Club, helping to maintain the gardens and running the shop. Funds raised by the 200 Club and the profits from the shop are donated to the Society to support its charitable aims. Many supporters from folk clubs, dance groups and organisations also raise funds through their activities which they donate to the Society.

Activities and achievements

Halsway Manor is the only centre in England dedicated to presenting a year round of programme of residential learning activities in the folk arts. Its secluded setting, relaxed atmosphere and supportive staff enable participants to get the most from the programme of learning activities.

Residential courses our year round programme of residential courses includes many forms of traditional folk dance, folk music instrument skills, singing and craft courses in violin and violin bow making. We added to the scope of our programme by organising two storytelling courses during the year. Overall the programme of courses cater for a range of standards from beginners to more advanced skills. People come from all over the UK to attend and we have had participants attending courses from the USA, Finland, Germany, France, Switzerland, Belgium and Italy. Where possible we have increased access for local people who want to attend but don't need to stay at the manor by offering a wider range of booking options and prices.

Young people During the year we staged three residential courses for young people to develop their skills in folk song, music, dance and storytelling through collaborations with the Folk and Traditional Music Degree course at Newcastle University and with Shooting Roots (a young people's folk arts organisation dedicated to developing the teachers and practitioners of the future). Our 6 day course for young people in July culminated in a successful concert at Sidmouth Folk festival. Our summer folk holiday weeks have provided families and young people to have fun while learning about traditional music and dance. We consulted with a wide range of young people and organisations nationally on our Youth Dance Plan the result of which will be the appointment of a Youth Dance Associate post and formation of a youth dance company in 2012.

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

Other events and activities We presented concerts featuring professional folk artists when they are either teaching a course at Halsway Manor or touring in the region, and a small folk festival event celebrating the folk traditions of the Quantocks

The West Somerset Morris Men have practiced regularly at Halsway Manor since 1965. We also have a long established fortnightly Folk Dance Club and monthly Folk Club. In addition, this year we started a monthly Musician's Session for players of any acoustic instrument to play together informally (all ages, all abilities) and the Halsway Folk Choir (led by Yvette Staelens) which started in January 2012 and meets every Monday morning during term time.

The Kennedy Grant Library at Halsway Manor is a nationally important collection of more than 10,000 books and audio recordings of folk music, dance and folklore which were bequeathed to the Society by the folklorists and collectors Peter Kennedy and Margaret Grant. During the year major progress was achieved by our library volunteers, led by Cynthia Sartin, in finishing the sorting, appraisal and cataloguing of the Peter Kennedy collection of books. Books not relevant to the charitable aims of the Society have been sold and the profits donated to the Library fund which is used to maintain and add to the library collection.

Capital development scheme : Halsway Manor is a Grade 2* Listed building. We successfully started the process of consultation with English Heritage and the local planning authority about the possibilities of improving our facilities to increase public access and the conservation of the buildings and grounds.

Raising our profile during the year we redesigned our print and publicity and commissioned a new website (launching later in 2012) and have started to use social networking media for the promotion of events for younger people.

Customer feedback Feedback from participants is collected during and after each event and reviewed monthly by the staff management team and matters arising are discussed with the Board of Trustees. Feedback about staff during the year was consistently very positive. Customers new to Halsway Manor gave consistently high levels of positive feedback about their experience of courses, events, activities, the staff and facilities. Regular customers, who know the Manor well, often provide useful feedback about improvements to the facilities and catering which we act upon wherever possible.

Looking ahead : In the year to come we aim to

- Further develop our programme of residential courses, events and activities for our existing customers
- Provide new courses to attract new audiences of all ages and abilities
- Develop our programme of courses, events and activities for young people including an annual young people's folk festival, concerts by young folk artists, further develop residential courses with Shooting Roots and tutors from the Folk and Traditional Music Degree course at Newcastle University, appoint a youth dance development post to involve more young people in folk dance, provide bursaries for young people who need assistance to attend courses

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

- Develop a visual arts and crafts programme
- Consult with our members, customers and partners on plans to improve the facilities at Halsway Manor
- Make progress in cataloguing the collection of audio recordings in the Kennedy Grant Library
- Launch the new website and make more use of social networking on the internet

Financial Review

Halsway Manor Society Limited is a company Limited by guarantee (number 849615) and not having share capital. It is controlled by its members and governed by the terms of its memorandum and articles of association. It is also a registered Charity (number 247230).

The results of the 100% owned trading subsidiary Halsway Manor Limited are shown in note 16 of the accounts. The trading profits made by the company during the year totalling £41,920 were paid to the parent company under the provisions of the gift aid scheme.

A surplus of £16,152 was achieved which exceeded our budget forecast for the financial year of £2,490. This being £17,300 unrestricted surplus and £1,148 restricted deficit which has been achieved without the need to use the designated funds set aside. These funds are now available to cover capital projects in support of development plans, as well as any adverse trading results in the year ahead.

Reserves policy

The Board of Trustees is currently reviewing its reserves policy. Our general policy is to aim to hold in reserve sufficient funds to sustain the organisation for a period of 6 months.

Donations policy

Donations given are for the general purpose of the charity. We will attempt to assign donated funds as requested, however any specification will be taken without imposing any trust. Donations given are always be used for the charitable activities of the Company.

THE DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of Halsway Manor Society Limited for the purpose of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

HALSWAY MANOR SOCIETY LIMITED

DIRECTORS' AND TRUSTEES' REPORT (continued)

YEAR ENDED 31 MARCH 2012

Company Law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and the Group and of the incoming resources and application of resources including the income and expenditure of the Group for the year. In preparing these financial statements the Trustees are required to

- a) select suitable accounting policies and then apply them consistently,
- b) observe the methods and principles in the Charities SORP,
- c) make judgments and estimates that are reasonable and prudent, and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in operation

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and 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 Company's Auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information

AUDITORS

Albert Goodman LLP are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006

The Directors and Trustees Report is prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

Approved by the Board on 18 July 2012 and signed on its behalf by.



R B WILLIAMS - CHAIR

HALSWAY MANOR SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALSWAY MANOR SOCIETY LIMITED

YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Halsway Manor Society Limited for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities, (incorporating the Income and Expenditure Account), the Consolidated and Parent Company Balance Sheet and the related notes. 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 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustee's Responsibilities, 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 Practice 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 group's and the parent 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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2012, and of the groups 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006

HALSWAY MANOR SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALSWAY MANOR SOCIETY LIMITED (continued)

YEAR ENDED 31 MARCH 2012

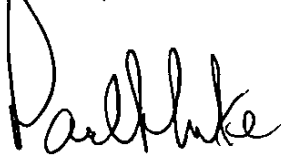
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 in preparing the Trustees' Annual Report.



**Paul Hake FCCA
Senior Statutory Auditor
For and on behalf of Albert Goodman LLP
Chartered Accountants
Statutory Auditors**

**Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW**

Date: 24 July 2012

HALSWAY MANOR SOCIETY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2012 £	Total 2011 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary Income						
Friends of Halsway Manor		-	-	-	-	7,485
Other donated gifts and legacies		6,042	10,209	-	16,251	26,124
Activities for generating funds	2	76,460	-	-	76,460	119,449
Investment Income		76	-	-	76	72
Incoming resources from charitable activities	2	499,205	-	-	499,205	467,149
Other incoming resources		<u>4,020</u>	-	-	<u>4,020</u>	<u>5,156</u>
Total Incoming Resources		<u>585,803</u>	<u>10,209</u>	-	<u>596,012</u>	<u>625,435</u>
Resources Expended						
Cost of generating funds						
Fundraising trading - cost of goods						
Sold and other costs	5	34,540	-	-	34,540	39,573
Charitable activities	3	540,700	3,282	-	543,982	526,569
Governance Costs	4	3,948	-	-	3,948	13,059
Total Resources Expended		<u>579,188</u>	<u>3,282</u>	-	<u>582,470</u>	<u>579,201</u>
Net Outgoing/Incoming Resources before transfers		6,615	6,927	-	13,542	46,234
Transfers between funds	14	<u>8,075</u>	<u>(8,075)</u>	-	-	-
Net Outgoing/Incoming resources before unrecognized gains for the year		14,690	(1,148)	-	13,542	46,234
Net Gains on Investments		<u>2,610</u>	-	-	<u>2,610</u>	<u>1103</u>
Net Movement on Funds	7	17,300	(1,148)	-	16,152	47,337
Balances brought forward at 1 April 2011		<u>484,296</u>	<u>27,840</u>	<u>1,000</u>	<u>513,136</u>	<u>465,799</u>
Balances carried forward at 31 March 2012		<u>501,596</u>	<u>26,692</u>	<u>1,000</u>	<u>529,288</u>	<u>513,136</u>

HALSWAY MANOR SOCIETY LIMITED
BALANCE SHEET
31 MARCH 2012

	Notes	Group		Company	
		2012	2011	2012	2011
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	409,024	404,786	409,024	404,786
Shares in group undertakings	9	-	-	2	2
		<u>409,024</u>	<u>404,786</u>	<u>409,026</u>	<u>404,788</u>
Current Assets					
Stocks	11	16,294	14,897	10,099	8,872
Debtors	12	17,988	19,031	58,520	83,774
Investments	10	27,427	24,817	27,427	24,817
Cash at bank and in hand		189,301	182,051	146,310	114,943
		<u>251,010</u>	<u>240,796</u>	<u>242,356</u>	<u>232,406</u>
Creditors					
Amounts falling due within one year	13	<u>130,746</u>	<u>122,446</u>	<u>122,094</u>	<u>114,058</u>
Net Current Assets		<u>120,264</u>	<u>118,350</u>	<u>120,262</u>	<u>118,348</u>
Creditors					
Amounts falling due after more than one year	13	-	<u>10,000</u>	-	<u>10,000</u>
Total Net Assets	15	<u>529,288</u>	<u>513,136</u>	<u>529,288</u>	<u>513,136</u>
Funds					
Endowment	14	1,000	1,000	1,000	1,000
Restricted	14	26,692	27,840	26,692	27,840
Unrestricted other charitable funds	14	489,169	410,018	489,169	410,018
Unrestricted designated funds	14	-	64,461	-	64,461
Revaluation reserve	14	12,427	9,817	12,427	9,817
		<u>529,288</u>	<u>513,136</u>	<u>529,288</u>	<u>513,136</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the Directors on 18 July 2012 and signed on their behalf by



D E Seabright - Director

COMPANY REGISTRATION NUMBER 00849615

HALSWAY MANOR SOCIETY LIMITED
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2012

Consolidated Summary Income and Expenditure Account

	2012	2011
	£	£
Total income	596,012	625,435
Total expenditure from income funds	(582,470)	(579,201)
Net income for the year	13,542	46,234

The summary income and expenditure account which is derived from the statement of financial activities on page 12, provides, together with the notes on pages 15 to 24, full information on the movements during the year on all funds of the Company.

Statement of Total Recognised Gains and Losses

	2012	2011
	£	£
Net income for the year	13,542	46,234
Realised (loss)/gain on sale of investments	-	-
Unrealised gain on revaluation of investments	2,610	1,103
Net income for the year	16,152	47,337

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention modified for the revaluation of investments and in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in 2005 (revised 2008), the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

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 Company 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 Company's activities. No separate income and expenditure account or statement of financial activities has been presented for the Company alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2005

Incoming Resources

All incoming resources are included in the SOFA when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where amounts are received in advance the income is deferred until the date of the event held. For material legacies, entitlement is the earlier of the Company 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 same period as the income to which it relates.

Gifts in kind are included at their value to the Company and are 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. Costs not attributable directly to any of the principal expenditure headings are apportioned on an appropriate basis.

Governance costs

During 2012, a reclassification of prior year governance costs has taken place to bring disclosure in line with the SORP 2005 (revised 2008)

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

All fixed assets are stated at purchase cost plus incidental expenses of acquisition. Expenditure on capital items is capitalised for all items costing in excess of £1,500. Fixtures, fittings and equipment are depreciated at the rate of 10% on cost per annum on additions on a reducing balance basis. Expenditure on computer equipment is written off over three years.

The Directors are of the opinion that the value of the freehold land and buildings is far in excess of its book value and that as such provision for depreciation between book value and estimated residual value is immaterial and no provision is made.

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 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 Directors in furtherance of the general objectives of the Company, and which have not been designated for other purposes. Restricted funds are to be used for specific purposes as laid down by the donor.

The trustees designate unrestricted funds where they feel it is appropriate to do so.

Current Asset Investments

Current Asset Investments are valued at their current market value.

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

2. OPERATING ACTIVITIES

	Total Fund 2012 £	Total Fund 2011 £
Activities in furtherance of the Company's objectives		
Members subscriptions	7,540	5,490
Folk events	491,095	459,989
Publication sales	<u>570</u>	<u>1,670</u>
	<u>499,205</u>	<u>467,149</u>
Activities for generating funds		
Trading income	<u>76,460</u>	<u>119,449</u>

Income of £99,106 (2011- £99,965), being deposits for future events, have been deferred to match the timing of recognition of the income with the occurrence of the related event

3. DIRECT CHARITABLE EXPENDITURE

	Total Fund 2012 £	Total Fund 2011 £
Planning and organisation of folk events:		
Administration costs	36,822	34,498
Staff costs	118,683	102,253
Board and accommodation		
Staff costs	127,482	128,433
Food and consumables	68,122	70,955
Other direct costs	45,837	49,747
Development costs	4,311	-
Establishment and amenity costs		
Maintenance costs	52,123	52,746
Rates, insurance and utilities	55,840	53,977
Depreciation	8,520	8,412
Non recoverable VAT	17,467	16,311
Establishment costs	1,396	1,543
Travel expenses	2,871	3,770
Bank charges	<u>4,508</u>	<u>3,924</u>
	<u>543,982</u>	<u>526,569</u>

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

4. GOVERNANCE COSTS

	Total Fund 2012	Total Fund 2011
	£	£
Audit and professional fees	3948	13,059
	<u>3,948</u>	<u>13,059</u>

5. COSTS OF GENERATING FUNDS

	Total Fund 2012	Total Fund 2011
	£	£
Food	4,046	9,726
Bar purchases	14,614	16,765
Shop Costs	4267	2,600
Staff costs	9,349	9,052
Establishment costs	2045	1,005
Administration	<u>219</u>	<u>425</u>
	<u>34,540</u>	<u>39,573</u>

6. ALLOCATION OF SUPPORT

The Company 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	36,822	219	-
Staff costs	246,165	9,349	-
Establishment costs	134,205	2,045	8,259
Total 2012	<u>417,192</u>	<u>11,613</u>	8,259
Total 2011	<u>255,362</u>	<u>10,482</u>	<u>13,059</u>

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

7. CHANGES IN RESOURCES AVAILABLE FOR COMPANY USE

	Unrestricted Funds	Restricted Funds	Endow ment Funds	Total 2012	Total 2011
	£	£	£	£	£
Net movement in funds for the year	17,300	(1,148)	-	16,152	47,337
Resources used for the acquisition of fixed assets	(12,758)	-	-	(12,758)	(31,596)
Net movement in funds available for future activities	<u>4,542</u>	<u>(1,148)</u>	=	<u>3,394</u>	<u>15,741</u>

8. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Fixtures & Fittings Equipment £	Total £
Group and Company - Cost			
1 April 2011	356,993	130,284	487,277
Additions	<u>10,811</u>	<u>1947</u>	<u>12,758</u>
At 31 March 2012	<u>367,804</u>	<u>132,231</u>	<u>500,035</u>
Depreciation			
At 1 April 2011	-	<u>82,491</u>	<u>82,491</u>
Charge for the year	-	<u>8,520</u>	<u>8,520</u>
At 31 March 2012	-	<u>91,011</u>	<u>91,011</u>
Net book values			
At 31 March 2012	<u>367,804</u>	<u>41,220</u>	<u>409,024</u>
At 31 March 2011	<u>356,993</u>	<u>47,793</u>	<u>404,786</u>

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

The book value of £367,804 attributed to the property in the Company's Balance Sheet at the end of the year represents the cumulative historical cost to the Company of the Manor and Mews together with improvements to date

In the opinion of the Trustees the freehold land and buildings are worth in excess of £4 million, but no formal valuation has been undertaken

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

9. SHARES IN GROUP UNDERTAKINGS

	Company 2012	2011
	£	£
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 Company. The Company 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 subsidiary gifts all its taxable profits to the Company under the Gift Aid scheme for use in the furtherance of the Company's charitable objectives.

10 OTHER INVESTMENTS

	Group 2012	2011	Company 2012	2011
	£	£	£	£
Market value at 31 March 2011	<u>27,427</u>	<u>24,817</u>	<u>27,427</u>	<u>24,817</u>
UK listed investments are represented by: Investment Trust	<u>27,427</u>	<u>24,817</u>	<u>27,427</u>	<u>24,817</u>

It is the Council's intention to sell this investment in due course and use the money rather than re-invest it. The investments are carried at current market value and have an historical cost of £15,000 (2011: £15,000).

11 STOCKS

	Group 2012	2011	Company 2012	2011
	£	£	£	£
Provisions and consumables	12,686	11,131	6,491	5,106
Fuel Supplies	<u>3,608</u>	<u>3,766</u>	<u>3,608</u>	<u>3,766</u>
	<u>16,294</u>	<u>14,897</u>	<u>10,099</u>	<u>8,872</u>

12 DEBTORS

	Group 2012	2011	Company 2012	2011
	£	£	£	£
Trade Debtors	203	3,745	203	1,052
Other Debtors and prepayments	17,785	15,286	17,785	15,286
Amount owed by group undertaking	-	-	40,532	67,436
	<u>17,988</u>	<u>19,031</u>	<u>58,520</u>	<u>83,774</u>

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	8,390	10,637	7,696	10,277
Customer deposits and deferred income	99,106	99,965	91,148	91,937
Social Security creditors	4,853	2,726	4,853	2,726
Accruals	6,634	7,805	6,634	7,805
VAT	1,763	1,313	1,763	1,313
Other Creditors	10,000	-	10,000	-
	<u>130,746</u>	<u>122,446</u>	<u>122,094</u>	<u>114,058</u>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Long term loan with no interest charged

Repayable 1 June 2012	=	<u>10,000</u>	=	<u>10,000</u>
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14 MOVEMENT IN FUNDS

	Balance 1 April 2011 £	Incoming £	Movement in Resources Outgoing £	Transfers £	Balance 31 March 2012 £
Restricted Funds					
Margaret Grant Library Fund	10	-	(10)	-	-
Youth Fund	4,809	2,288	(1,804)	-	5,293
Mews improvement Fund	7,861	-	-	-	7,861
Library Development Fund	11,630	1,546	(616)	-	12,560
Manor Development Fund	2,030	6,045	-	(8075)	0
Other Specific Donations	1,500	330	(852)	-	978
Total Restricted Funds	<u>27,840</u>	<u>10,209</u>	<u>(3,282)</u>	<u>(8,075)</u>	<u>26,692</u>
Endowment Funds					
Margaret Grant Library Fund	<u>1,000</u>	-	-	-	<u>1,000</u>
Unrestricted Funds					
Other Charitable Funds	410,018	585,803	(579,188)	72,536	489,169
Designated Funds	64,461	-	-	(64,461)	-
Revaluation reserve	<u>9,817</u>	<u>2,610</u>	=	=	<u>12,427</u>
Total unrestricted funds	<u>484,296</u>				<u>501,596</u>
Total Funds	<u>513,136</u>	<u>598,622</u>	<u>(582,470)</u>	=	<u>529,288</u>

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

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

14. MOVEMENT IN FUNDS (CONTINUED)

Designated funds represent money received from legacies, these have now been transferred to unrestricted funds, as there was no formal restriction

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

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

The Library Development Fund consists of receipts received for this purpose

Manor Development fund is being used and will be transferred to unrestricted funds when expended

Other Specific Donations comprise of small donations made for specified purposes

15. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endow ment Funds	Total 2012	Total 2011
	£	£	£	£	£
Fund balances at 31 March 2012					
Are represented by					
Fixed assets	409,024	-	-	409,024	404,786
Current assets	223,318	26,692	1,000	251,010	240,796
Current Liabilities	(130,746)	-	-	(130,746)	(122,446)
Liabilities due after one year	-	-	-	-	(10,000)
Total Net Assets	<u>501,596</u>	<u>26,692</u>	<u>1,000</u>	<u>529,288</u>	<u>513,136</u>

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

16. TRADING COMPANY

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

	2012	2011
	£	£
Turnover	76,460	119,449
Cost of Sales	<u>(32,276)</u>	<u>(38,143)</u>
Gross Profit	44,184	81,306
Operating and administrative expenses	<u>(2,264)</u>	<u>(1,430)</u>
Net Profit	41,920	79,876
Amount paid to Halsway Manor Society Limited under the Gift Aid	<u>41,920</u>	<u>79,876</u>
Retained Profit	=	=

The net assets of Halsway Manor Limited at 31 March 2012 was £2 (2011 - £2)

17. COST OF AUDIT AND OTHER FINANCIAL SERVICES

	2012	2011
	£	£
For the Society and its trading subsidiary		
Audit Fees – current auditors	3,948	
– previous auditors		5,350
	<u>3,948</u>	<u>5,350</u>

18. STAFF COSTS

	2012	2011
	£	£
Wages and Salaries	233,139	222,366
Social Security costs	17,626	17,243
Agency costs	-	14,173
	<u>250,765</u>	<u>253,782</u>

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

18. STAFF COSTS CONTINUED	2012	2011
Direct charitable activities.		
Domestic and catering staff	7	7
Management and administration of the charity	5	5
	<u>12</u>	<u>12</u>

No employee earned £60,000 or over (2011-none)

HALSWAY MANOR SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2012

19. TRANSACTIONS WITH DIRECTORS

The Directors are also members of the Company. No Director has received any remuneration for services as a Director, but some Directors also act as leaders at folk events for which they are remunerated at the appropriate rate, £250 was paid to one trustee during the year. Expenses incurred for travelling and administration costs, amounting to £3,196 (2011 £3,770) were reimbursed during the year to seven trustees.

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 100% of the voting shares in that 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.

There is no ultimate controlling party.

21. PARENT COMPANY RESULTS

The company has taken advantage of Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2005 (revised 2008) and has chosen not to produce its own statement of Financial Activities. The Company's gross income for the year was £561,472 (2011 - £585,862) and its surplus for the year was £16,157 (2011- £47,337).

22. FINANCIAL COMMITMENTS

At 31 March 2012 the Company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013.

	2012	2011
	£	£
Office Equipment		
Expiry date:		
Within 1 year	130	
Between 2 and 5 years	2,520	3,149
	<u>2,650</u>	<u>3,149</u>