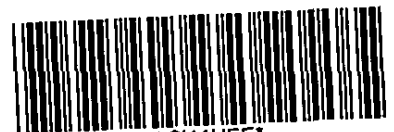


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COMPANY REGISTRATION NUMBER : 07112241 (England and Wales)  
REGISTERED CHARITY NUMBER : 1135262

**THE FAVERSHAM SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND UNAUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

TUESDAY



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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors (trustees)</b>	Peter Tann MA (Chairman) Jan West (Vice-chairman) Brian Kelsey BA FCA (Hon Treasurer) Pat Ross MBIVR Valerie Untersander Anne Salmon BA MCD MRTPI Alistair Mackay-Miller FCA Jean Yeomans Colin Parry Arthur Percival MBE MA Dlit FS FAHI Jenifer Parry MSc RN NDN NP Michael Frohnsdorff MA MPAI Trevor Abram Timothy Stevens Pat Reid BA (Hons) MA (Ed) John O'Kill Daphne Longfield	resigned 28 April 2010        resigned 28 February 2010   appointed 28 April 2010   appointed 28 April 2010 appointed 28 April 2010 appointed 28 April 2010 appointed 28 April 2010
<b>Company Secretary</b>	Pat Ross MBIVR	
<b>Company Number</b>	7112241	
<b>Charity Number</b>	1135262	
<b>Principal Address</b>	Fleur de Lis Heritage Centre 10-13 Preston Street Faversham Kent ME13 8NS	
<b>Independent Examiner</b>	M J Moore FCA Larkings (S E ) LLP 31 St George's Place Canterbury Kent CT1 1XD	
<b>Bankers</b>	National Westminster Bank PLC 13 Market Place Faversham Kent ME13 7AF	
<b>Solicitors</b>	Parry Law 144/146 High Street Herne Bay Kent CT6 5NJ	

# THE FAVERSHAM SOCIETY

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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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The Directors of the Company (who are Trustees for the purpose of Charity Law) present their annual report and accounts of the Charity for the year ended 31 December 2010

**Objectives and aims**

The Society is established for the public benefit for the following purpose in the area comprising Faversham and its surroundings, referred to as the "area of benefit"

- (i) to educate the public in the geography, history, natural history and architecture of the area of benefit
- (ii) to secure the preservation, protection, development and improvement of features of historic or public interest in the area of benefit
- (iii) to preserve for the people of the area of benefit and of the nation, the historical architecture and constructional heritage that may exist in the area of benefit in buildings (including any building defined in Section 336 of the Town & Country Planning Act 1990) of particular beauty or historical, architectural or constructional interest
- (iv) to promote high standards of planning and architecture in or affecting the area of benefit
- v) The company acquired the charitable assets of The Faversham Society (charitable number - 250945) on the 1 January 2010. The comparative figures shown in the accounts are from The Faversham Society charity for the 15 month period to 31 December 2009. These have been included in the accounts as a memorandum in order to give more information to the members on performance of the company since incorporation in 2010.

**Governing document**

The charity is a company limited by guarantee, as defined by the Companies Act 2006. Its governing document is its Memorandum and Articles of Association, dated 23 December 2009, as agreed by Special Resolution on 24 February 2010.

The company has no share capital, but under the terms of the Memorandum of Association, every member is liable to contribute a sum not exceeding £10 in the event of the company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the debts and liabilities of the company contracted before he or she ceased to be a member, and the costs, charges and expenses of winding up.

**Recruitment, appointment and training of new trustees**

The charity typically circulates an invitation to all members to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM. From time-to-time, the Board also reviews whether there are any additional or specialist skills that would be beneficial to have on the Board, it then seeks to identify potential new trustees who will bring those skills and the Board may then appoint new trustees. New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

**Organisational structure**

The Charity's governing body is the Board of Directors and Trustees, whose members are elected by the members of the Society. Trustees meet on average once per month. Any resolutions submitted to a meeting shall be decided by a majority vote of the trustees present at a meeting, but the chairman shall have a second or casting vote. Minutes are taken at each meeting, circulated to trustees along with action points and

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**Risk Review**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

Risks associated with staff and visitors to the Museum complex are currently under formal review in association with the Museum's application for accredited status. Financial risk is monitored via the finance committee by means of a simplified presentation of management accounts for easier understanding by Council and the implementation of a new computerised accounting system to facilitate improved financial reporting and control.

**Public Benefit**

The Society is one of the largest and most active of its kind. It has over one thousand members (this number to be compared with a population around 30,000) and is run entirely by volunteers. The Society continues to pursue the wide range of activities of earlier years, including the provision of help, advice and information to the general public.

**Significant Activities**

The Society owns, maintains and operates a complex of buildings in Preston Street known collectively as the Fleur de Lis Heritage Centre. The complex contains

- a museum - the largest in the Borough of Swale
- a gallery for temporary exhibitions of arts or on local themes, organised by the Society
- a Tourist Information Centre (TIC), whose reach encompasses the entire Borough
- a gift shop selling good quality articles, many of them with local interest or content
- a second-hand bookshop that generates income for the Society
- a large reprographic facility to enable in-house publication, for example, of the Society's renowned series of over one hundred "Faversham Papers"
- a comprehensive local history library, built up over many years, used for educational and information purposes
- the Doddington Parochial Library, which includes some books not in the British or Bodleian Libraries
- the library of the Marlowe Society
- well-equipped offices for the use of Council and Committee members to conduct the Society's affairs in a professional manner
- a meeting room for Council and Committee meetings, and for educational purposes with small groups
- a large hall, with kitchen facilities capable of accommodating one hundred people. This is used for members' meetings (for example, the monthly programme of talks) and also generates rental income from third parties
- an attractive walled garden where visitors may see a beautifully restored late Georgian shop-front, once at No 4 Market Place, and recovered by the Society from a museum in Chicago USA.

The Society maintains, curates and staffs the Fleur de Lis Heritage Centre, the village museum at the Maison Dieu, Ospringe and the Chart Gunpowder Mills, the oldest of its kind in the world. On behalf of English Heritage it looks after the ruins of Stone Chapel, the only Christian place of worship in the UK to incorporate part of a pagan Roman shrine.

The Society produces a monthly newsletter that is available to members in hard copy, by email or through the web-site [www.faversham.org](http://www.faversham.org) under "clubs and societies".

The Society also publishes an annual review of all of its activities, compiled from the written reports of those responsible for designated functions and activities e.g. the well-regarded "Open House" and "Secret Garden" schemes, the Town Walks, the Museum, the work of the "Faversham Historians" and the Planning committee. This report is distributed to all members free of charge. The Trustees are pleased to point the reader of this Report in the direction of the Society's annual review for a comprehensive and up to date summary of activities. The annual review will shortly also be accessible through the web-site.

**Volunteers**

The Society has no paid staff, and relies upon a large number of volunteers, who give generously of their time to enable the Society to achieve its aims and objectives.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**Review of charitable activities**

The key achievements in the first year were

**Museum accreditation**

As I wrote in my report for 2009, the museum is a much-undervalued asset of the Society, as measured by visitor numbers. The situation did not improve in 2010. But we took significant steps to do something about it. We still do not have a curator, but for much of the year we benefited from the museum management experience of John Harrison, whose services were paid for by donors to whom we are most grateful. John organised three surveys: the bad news was that awareness of the museum is very low, the good news is that those who go are mightily impressed and wish they'd dedicated more time to their visit. John developed a policy governing acquisitions and disposals, in line with national standards, and the museum team have begun a systematic review of artefacts. Based on the demonstrable work in progress, and a huge amount of documentation, the Society's museum achieved the coveted accreditation from the Museums, Libraries and Archives Council in mid-year. This is critical to our ability to attract institutional funding for our museum in the future.

**Heritage Lottery Grant (HLF)**

In 2009 we were granted money by HLF to allow us to develop a fully worked-up plan for our No 12 Project. The project has two elements: A) We shall turn No 12 Preston Street (presently our second-hand bookshop) into an entrance to the museum, with a gathering place for school parties, changing exhibition space and some retail. This will help drive up the numbers of museum visitors. B) We shall improve our learning and education programmes offered to Society members, to the public, and especially to local schools.

We worked solidly on the production of our plan throughout the year, and met the deadline for submission in December 2010 with a week to spare! We shall know the result in March 2011, and, if successful, work will commence in mid-summer 2011. I want to pay tribute to the HLF on two counts. The first is for the way they held our hand from start to finish. The idea of the pre-development grant was inspired. Our 'case' officer was always accessible, and constructive. We were given access to some very high quality, experienced consultants whose costs were borne by the HLF. The second is to acknowledge the realism of HLF processes. They recognise that designs and costs change as the project develops, they recognise that we need help to adjust for the loss of net income from the second-hand bookshop, they recognise that we need to pay a person if we are to get our learning and education programmes off the ground. I am not suggesting that the application process was smooth, but the professionalism and pragmatism of the HLF made it easier,

All the trustees have been engaged in the process, some more than others. Jan West and Mike Frohnsdorff led dedicated teams. Margaret Slythe, who is not a trustee, has been very closely involved throughout.

**Future plans**

The No 12 Project will dominate activities in 2011-12, assuming we win an HLF grant. We must also plan for our 50<sup>th</sup> anniversary year in 2012. But the Society must look out further, and consider what we want to be like in (say) 2015. The trustees considered a Five-Year Plan at their meeting in December 2010. In February 2011, they agreed three major strategic ambitions:

- To employ a paid chief executive
- To make the Society more forward-looking
- To put the Society on a firm financial footing

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**Financial review**

The attached accounts for the first trading period show a surplus of £12,867 and unrestricted liquid funds of £6,822, a significant achievement against a budget forecast of break-even on income and expenditure

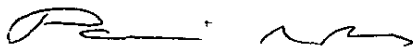
**Reserves policy**

The Society's reserves are almost entirely represented by property assets, and the trustees recognise the need to build up over time liquid reserves in unrestricted funds

The trustees consider that an appropriate minimum level of reserves should be an amount representing six months' core expenditure. This allows some flexibility for the charity to deal with delays or withdrawal of funding, or unexpected additional costs. The level of reserves at the end of the first year does not reach this level, although an encouraging start has been made. The trustees recognise the need to continue to make greater efforts to increase the reserves held in order to maximise the stability of the Society's position, and anticipate taking steps to do this over the coming and subsequent years, where this can be done without a negative effect on service provision.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005.

On behalf of the directors



Pat Ross (Hon Secretary)  
Company Secretary

Dated 27/4/11

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FAVERSHAM SOCIETY

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I report on the accounts of the company for the year ended 31 December 2010 which are set out on pages 5 to 14

## Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- \* examine the accounts under section 43 of the 1993 Act,
- \* follow the procedures laid down in the general Directions given by the Charity Commissioners (under section 43(7)(b) of the Act, as amended), and
- \* state whether particular matters have come to my attention

## Basis of independent examiner's statement


My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

## Independent examiner's statement

In connection with my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in any material respect, the requirements
  - \* to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - \* to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by

have not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

  
 M J Moore FCA  
 Larkings (S.E.) LLP  
 31 St George's Place  
 Canterbury  
 Kent CT1 1XD

Date 27th April 2011



**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	Unrestricted funds	Restricted funds	Total 12 months ended 31 12 10	Total 15 months ended 31 12 09
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income					
Donations and legacies	2	14,040		14,040	14,675
Activities for generating funds	4	38,215		38,215	39,366
Investment income	5	-		-	-
<b>Incoming resources from charitable activities</b>	3	<u>45,860</u>	<u>36,256</u>	<u>82,116</u>	<u>105,509</u>
<b>Total incoming resources</b>		<u>98,115</u>	<u>36,256</u>	<u>134,371</u>	<u>159,550</u>
<b>Resources expended</b>					
<b>Charitable activities</b>					
Advice, Information and Museum costs	6	84,023	29,043	113,066	399,220
<b>Governance costs</b>	6	<u>1,225</u>		<u>1,225</u>	<u>1,351</u>
<b>Total resources expended</b>		<u>85,248</u>	<u>29,043</u>	<u>114,291</u>	<u>400,571</u>
<b>Net incoming/(outgoing) resources before transfers</b>		12,867	7,213	20,080	(241,021)
Transfers between funds	13	-	-	-	-
<b>Other recognised gains/losses</b>					
Gains on revaluation of fixed assets for charity's own use	9	-	-	-	49,777
<b>Net movement in funds</b>		<u>12,867</u>	<u>7,213</u>	<u>20,080</u>	<u>(191,244)</u>
Funds introduced from unincorporated charity		<u>554,427</u>	<u>52,186</u>	<u>606,613</u>	<u>797,857</u>
<b>Fund balances at 31 December 2010</b>		<u><u>567,294</u></u>	<u><u>59,399</u></u>	<u><u>626,693</u></u>	<u><u>606,613</u></u>

**Note**

The comparative figures are for the unincorporated charity and are memorandum only

**BALANCE SHEET  
AS AT 31 DECEMBER 2010**

	Notes	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	10		608,470		617,827
<b>Current assets</b>					
Stocks		13,173		13,692	
Debtors	11	-		-	
Cash at bank and in hand		68,031		45,381	
		81,204		59,073	
<b>Creditors: amounts falling due within one year</b>	12	(6,681)		(12,128)	
<b>Net current assets</b>			74,523		46,945
<b>Total assets less current liabilities</b>			682,993		664,772
<b>Creditors: amounts falling due after more than one year</b>	13	(56,300)		(58,159)	
<b>Net assets</b>			626,693		606,613
<b>Funds</b>					
Restricted funds	14		59,399		52,186
Unrestricted funds					
General			567,294		554,427
<b>Total funds</b>	14		626,693		606,613

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2010**

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For the year ending 31 December 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2010 in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

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

The financial statements were approved by the Board of Trustees on 27 April 2011 and were signed on its behalf by



PETER TAUN, CHAIRMAN.

**NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

---

**1 Accounting policies****a) Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005

**b) Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy

All grants and voluntary income are accounting for gross when receivable

Incoming resources from trading activities are account for when earned

**c) Resources expended**

Resources expended are recognised in the period in which they are incurred Resources expended include attributable VAT which cannot be recovered

Costs of generating funds comprise the cost associated fundraising including the costs of publications sold in the charity's shop

Charitable activities comprise those costs incurred by the charity in the delivery of its activities It includes both costs that can be allocated directly to such activities and those cost of an indirect nature necessary to support them

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the cost of preparing the annual accounts and independent examiners fee

**d) Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold buildings are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	2% on cost
Furniture, fittings and displays	10% on cost
Computer equipment	33 33% on cost

Freehold buildings are included at market value less accumulated depreciation Gains and losses are included through the SOFA

**e) Stock**

Stock consists of publications and is valued at the lower of cost and net realisable value No account has been taken of donated second hand book stocks at the year end

**f) Fund accounting**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds

Restricted funds are to be used for specific purposes as laid down by the donor Expenditure which meets this criteria is charged to the fund

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1 Accounting policies (contd)**

**g) Heritage assets**

The Society holds a number of heritage assets which are not included on the balance sheet. The trustees consider that the cost of valuing would be onerous compared to the benefits. They are held for the benefit of the charity and are not likely to be realised for cash.

**h) Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**i) Comparative figures**

The comparative figures shown in the accounts are from The Faversham Society charity for the 15 month period to 31 December 2009. These have been included in the accounts as a memorandum in order to give more information to the members on performance of the company since incorporation in 2010.

**2 Donations and legacies**

	<b>2010</b> £	<b>2009</b> £
Donations and gifts	14,040	14,675
<b>Donations and gifts</b>		
Unrestricted funds		
Donations	14,040	11,432
Restricted funds		
Donations	-	3,243

The charity is the eventual beneficiary in an interest in a property. There is no current income from the property due to there being a life tenant and at this stage the date of transfer of the interest in the property to the charity, and its value are unknown but a valuation will be undertaken at the appropriate time.

**3 Incoming resources from  
charitable activities**

	<b>Unrestricted funds</b> £	<b>Restricted funds</b> £	<b>Total 2010</b> £	<b>Total 2009</b> £
Grants receivable for charitable activities (see below)	-	36,256	36,256	43,650
Shop Sales and commission	32,035	-	32,035	47,435
Member subscriptions	9,924	-	9,924	9,984
Museum admissions and services	3,901	-	3,901	4,440
	45,860	36,256	82,116	105,509
<b>Grants receivable for charitable activities</b>				
Local Authorities	-	6,716	6,716	11,400
Corporate	-	-	-	10,750
Charitable Trusts	-	11,000	11,000	16,500
National Heritage Memorial Fund	-	18,540	18,540	5,000
	-	36,256	36,256	43,650

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>4 Activities for generating funds</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2010</b>	<b>Total 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contribution towards running of Tourist Information Centre	4,750	-	4,750	6,750
Fundraising income	20,429	-	20,429	16,991
Rents receivable - hall	6,923	-	6,923	8,040
Rents receivable - car park	540	-	540	605
Rents receivable - flat	5,573	-	5,573	6,980
	<u>38,215</u>	<u>-</u>	<u>38,215</u>	<u>39,366</u>
<b>5 Investment income</b>			<b>2010</b>	<b>2009</b>
			<b>£</b>	<b>£</b>
Interest receivable			-	-
<b>6 Resources expended</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2010</b>	<b>Total 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Advice information and museum costs</b>				
Costs directly allocated to activities				
Books, gifts, etc	20,136	-	20,136	45,332
Depreciation building and display	9,357	-	9,357	73,769
Impairment of display	-	-	-	152,364
Postage and telephone	4,750	-	4,750	5,557
Photocopying and stationery	13,579	-	13,579	14,481
Electricity and gas	5,897	-	5,897	7,351
Insurance	6,666	-	6,666	7,465
Water	844	-	844	1,304
Repairs and Maintenance	4,647	27,458	32,105	45,256
Advertising and promotions	3,188	-	3,188	5,600
Conservation and acquisition	2,309	-	2,309	21,956
Subscriptions and donations	1,105	-	1,105	1,732
Education	-	1,585	1,585	0
Cleaning	1,741	-	1,741	2,533
Safety and security	4,282	-	4,282	6,672
Mortgage interest	4,295	-	4,295	5,087
Support costs allocated to activities				
Accountancy	-	-	-	940
Bank and credit card charges	1,227	-	1,227	997
Depreciation office equipment	-	-	-	824
	<u>84,023</u>	<u>29,043</u>	<u>113,066</u>	<u>399,220</u>
<b>Governance costs</b>				
Independent examiners fees	940	-	940	-
Legal fees	285	-	285	1,351
	<u>1,225</u>	<u>-</u>	<u>1,225</u>	<u>1,351</u>

**7 Trustees**

No Trustee received any remuneration from the charity during the year (2009 - £Nil) No Trustee was reimbursed expenses during the year (2009 - £Nil)

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**8 Employees**

The Society has no employees, relying entirely on voluntary staff

**9 Taxation**

The company is a registered charity and is not subject to corporation tax

**10 Tangible fixed assets**

	Freehold land and buildings £	Furniture, fittings and displays £	Office equipment £	Total £
<b>Cost</b>				
Assets introduced from unincorporated charity	617,827	525,484	9,764	1,153,075
At 31 December 2010	617,827	525,484	9,764	1,153,075
<b>Depreciation</b>				
Depreciation introduced from unincorporated charity	-	525,484	9,764	535,248
Charge for year	9,357	-	-	9,357
At 31 December 2010	9,357	525,484	9,764	544,605
<b>Net book value</b>				
At 31 December 2010	608,470	-	-	608,470
At 31 December 2009	617,827	-	-	617,827

Land with a market value of £165,000 is not depreciated

**Revaluation**

The company's land and buildings were valued at £617,827 by Swale Borough Council Valuations Office on 1 April 2010. It is the director's opinion that this value has not materially changed since the valuation so an update was deemed not required.

**11 Debtors**

	2010 £	2009 £
Other debtors	-	-
Prepayments	-	-
	-	-

**12 Creditors: amounts falling due within one year**

	2010 £	2009 £
Building Society loan	1,575	1,575
Other creditors	5,106	10,553
Accruals	-	-
	6,681	12,128

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>13 Creditors: amounts falling due after more than one year</b>	<b>2010 £</b>	<b>2009 £</b>
Building Society loan	56,300	58,159
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments		
Kent Reliance Building Society mortgage	57,875	59,734
<b>Loan maturity analysis</b>		
Debt due in one year or less	1,575	1,575
In more than five years	56,300	58,159
	57,875	59,734

The mortgage is secured on the Company's Freehold Property

**14 Restricted funds**

The funds of the charity include restricted funds comprising the following uncompleted projects of donations and grants held on trust for specific purposes

	<b>Movement of funds</b>				
	<b>Funds introduced 01 01 10 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Balance at 31 12 10 £</b>
a) Arden's House	3,868	-	-	-	3,868
b) Education /Archaeology	2,500	-	(1,585)	(915)	-
c) Rear extension to No 12	14,000	-	(6,155)	-	7,845
d) Georgian Shopfront	5,024	-	(13)	(5,011)	-
e) Fire engine	-	1,750	-	-	1,750
f) Villages story	3,000	-	-	(3,000)	-
g) Final phase No 12	23,794	34,506	(21,290)	8,926	45,936
	52,186	36,256	(29,043)	-	59,399

Projects may be transferred to unrestricted reserves when they are completed and all known liabilities are included

With the permission of the donors all balances on the Education/Archaeology,Georgian Shopfront and Villages Story restricted funds have been transferred to final phase No 12



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**14 Restricted funds (contd)**

- a) A fund set up to provide for the prevention of deterioration to the fabric of Arden's House
- b) A grant from Kent Community Foundation towards the Society's costs in promoting education
- c) Funding for a new meeting room to the rear of no 12 Preston street
- d) A Heritage grant and other funds donated towards a Pavilion and installation of shop front in the garden, which was officially opened in April 2008
- e) Funding to purchase a vintage fire engine
- f) A fund to provide a history and guide to the villages within the boundaries of Faversham
- g) Funding to utilise the Society's premises to maximum advantage for the provision of education and enlightenment

**15 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2010 are represented by			
Tangible fixed assets	608,470	-	608,470
Current assets	19,995	61,209	81,204
Creditors amounts falling due within one year	(4,871)	(1,810)	(6,681)
Creditors amounts falling due after more than one year	(56,300)	-	(56,300)
	<u>567,294</u>	<u>59,399</u>	<u>626,693</u>

**16 Related party transactions**

The company repaid a loan of £5,000 from P Tann, a director, that was outstanding at the start of the year. At the year end there no outstanding balances to directors (2009 - £5,000)