



**THE MALTINGS THEATRE & ARTS CENTRE  
ANNUAL REPORT & ACCOUNTS, 2009 - 10**

## THE MALTINGS THEATRE & ARTS CENTRE

Eastern Lane, Berwick-upon-Tweed TD15 1AJ



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Company Registration Number: 2332073  
(England)  
Registered Charity Number: 701194

The Maltings Theatre & Arts Centre is operated by The Maltings (Berwick) Trust, a company limited by guarantee and a registered charity. The company has no share capital.

The Trust is governed by a Trust Deed dated 2<sup>nd</sup> May 1989, and Memorandum and Articles of Association dated 8<sup>th</sup> December 1988 as revised 11<sup>th</sup> September 2007.

The objects for which the company is registered are to promote, maintain, improve and advance education particularly by the encouragement of the arts including the arts of drama, ballet, music, singing, literature, sculpture and painting.

The trustees have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and the Financial Reporting Standard for Smaller Entities (FRSSE) effective April 2008 in preparation of our financial statements, which also comply with the requirements of the charity's constitution.

The trustees have complied with the duty, in Section 4 of the 2006 Charities Act, to have due regard to guidance published by the Charities Commission.

### STAFF TEAM AS AT 31 MARCH 2010

Chief Executive & Artistic Director: Dr Miles Gregory  
Marketing & Development Manager: Tamiko Mackie  
Technical Manager: Neil Forrest  
Front of House Manager: Shona Hammon  
Bar Manager: David Purves  
Head of Youth Drama/Deputy Front of House Manager: Wendy Payn  
Marketing Assistant: Jack Calvert  
Book-keeper: Cathryn Ritchie  
Systems Administrator: Ross Graham  
Technician: Jimmy Manningham  
Cleaners: Angela Wright, Sandra James, Chris Caput  
Box Office Staff: Neil Davidson, Rebecca Hammon, Charlotte Payn, Shannon Thorpe

### VOLUNTARY ADMINISTRATION STAFF

Curator of Exhibition Spaces: Samantha Cary  
Friends Membership Secretary: Naila Laundry  
Wardrobe Mistresses: Vera Wood & Veronica Presland

# THE MALTINGS THEATRE & ARTS CENTRE

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*This Annual Report and Accounts is available to download at [www.maltingsberwick.co.uk](http://www.maltingsberwick.co.uk)*

*If you would like to receive it in large print, or you are a visually impaired person and would like a member of staff to talk through the publication with you, please contact The Maltings Box Office.*



*Spring and Port Wine, a co-production between The Maltings and local theatre company Pocket Productions, Henry Travers Studio, October 2009*

# 1. CHIEF EXECUTIVE'S WELCOME



This has been an exciting and challenging year which has seen a major transformation of our organisation in a difficult economic climate.

We've increased our earned income (our annual turnover excluding state funding) by 82%, growing from £198,540 in 2008 to £361,274 this year. This huge increase spanning eighteen months is through ticket sales, conferencing, rental income and ancillary sales.

We've increased the number of shows and films we present by a staggering 105%, from 181 last year to 372 this year.

The Maltings is on the road to becoming the North-East's premier independent cinema, screening over 200 different film titles this year, ranging from blockbusters to classics and independents.

Our audience numbers have increased by 33% this year. The refurbishment and increased opening hours of our Stage Door Bar have doubled the bar's turnover and this, combined with the opening of our theatre shop, has generated a valuable new revenue stream.

In the course of just one year, our Income/Expenditure account (p. 44) shows that we've moved from an annual operating deficit of nearly £50,000 to a positive position. So while our balance sheet shows we've more work to do, we're moving in the right direction fast.

We've achieved this remarkable turnaround against a backdrop of recession and economic gloom. It's a great story – of courage, hard work, vision and determination – and it's one that makes our whole team here very proud.

But while our performance as an organisation has never been better, the level of funding we receive has fallen by 20% since the 2007-08 financial year.

So far, our improved performance has absorbed this serious cut in funding. However, as we move forward we will need to lessen our reliance on traditional sources of funding by becoming even leaner and meaner as well as fundraising more widely.

This will not be easy. But my team and I will do whatever it takes to ensure that The Maltings continues to make a valuable positive contribution to the cultural, social and economic life of our community. Because in the final analysis it's not all about money, even though it is important that we work hard towards greater self-sufficiency.

Our theatre is at the heart of our community: it's where we gather to laugh; to cry; to escape one world and see another; to meet new friends; to learn; and to experience the transformative magic of the arts.

The purpose of this report is to record the year's events, to explain what we've learned from them, and give a clear picture of what we have planned for the future. It also provides detail on how The Maltings is run, and discloses the policies the Trustees use to ensure our continued success.

If you have any questions after reading the report, please feel free to contact me on 01289 330 661 ext. 7 or at [miles.gregory@maltingsberwick.co.uk](mailto:miles.gregory@maltingsberwick.co.uk)

A handwritten signature in black ink, which appears to read 'Miles Gregory'.

Miles Gregory  
Chief Executive & Artistic Director



*Passion for Live Music Battle of the Bands Weekend, July 2009*

## 2. CHAIRMAN'S STATEMENT



Two years ago the Board took the decision to invest in the future of The Maltings by renovating the building and reinvigorating our programme of shows and events. We recognised that this involved some financial risk but it was essential if we were to offer the people of Berwick a thriving and stimulating arts centre.

Undertaking this would not have been possible without the vision, skills, knowledge and experience of our CEO and Artistic Director, Dr Miles Gregory, as well as the full commitment of the staff.

As you will see from this report, excellent progress has been made on all fronts and The Maltings is becoming an important part of Berwick life for many people as it increasingly attracts audiences from outlying areas as well as locally.

Given the general economic climate, we are aware that we face a potentially difficult time in the immediate future. Nonetheless, we are determined to ride out any storms that may come our way.

We don't seek to make huge surpluses or have very large reserves; we are given public money to provide a service, so we will always be closer to the edge than many commercial businesses. Although we will always need some public funding we aim to reduce our reliance upon it by continuing to increase our box office turnover and other sources of income.

We are, as ever, grateful for the continued support from our main funders - the Northumberland County Council and Arts Council North East - as well as our sponsors and The Friends of the Maltings.

I would like to take this opportunity to thank fellow board members for their efforts, particularly as behind the scenes we have been developing our management policies and procedures, changing our constitution to meet new legislation and working on staff development.

We said farewell to a long-serving board member this year: Alderman Elizabeth Breckons. Liz served on the board of The Maltings for many years, joining in 1995, and acting as Chairman for over four years. Her service and dedication to our theatre saw the organisation through some very difficult times. Liz will be sorely missed, and we wish her well in the future.

In addition, I would like to thank all the staff and volunteers for their hard work and support over the past year and congratulate them on the impressive achievements you will read about in this report.

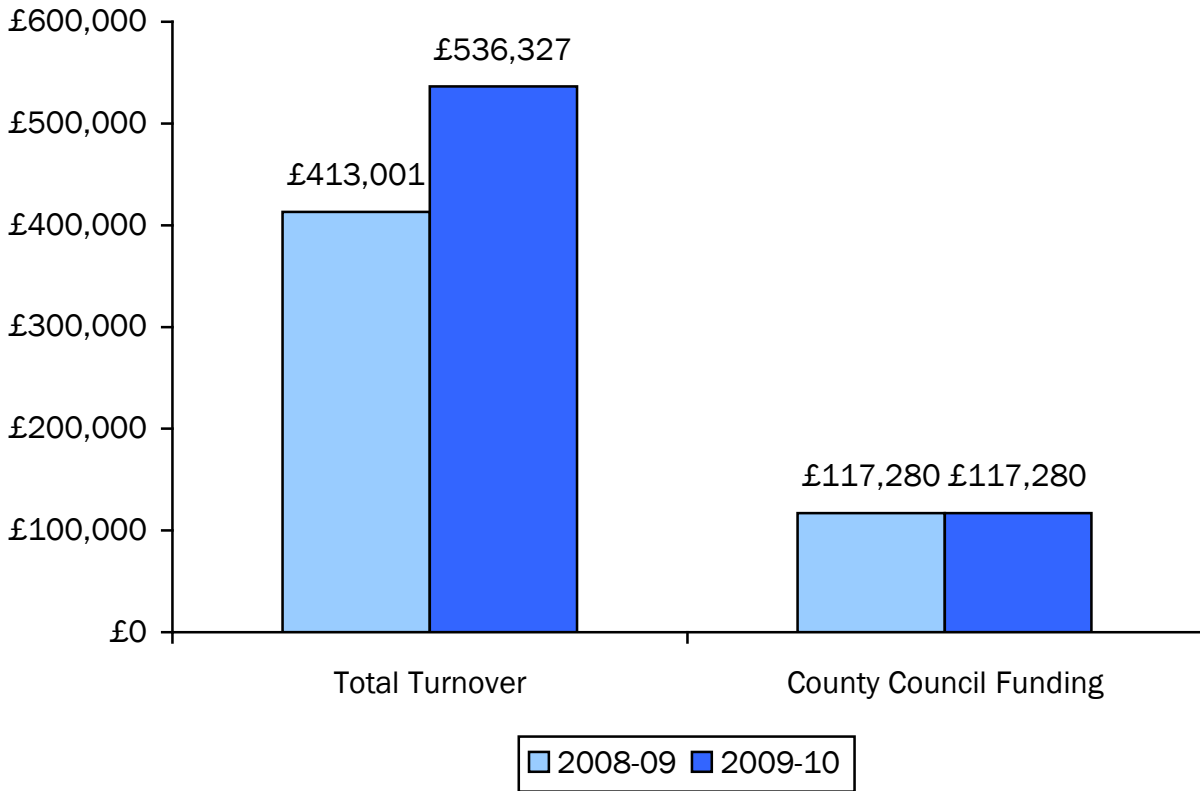
We can look forward to a rich and engaging programme of activities over the forthcoming year.

I hope you find that this report accounts fully for our stewardship and conveys our sense of ambition for the future.

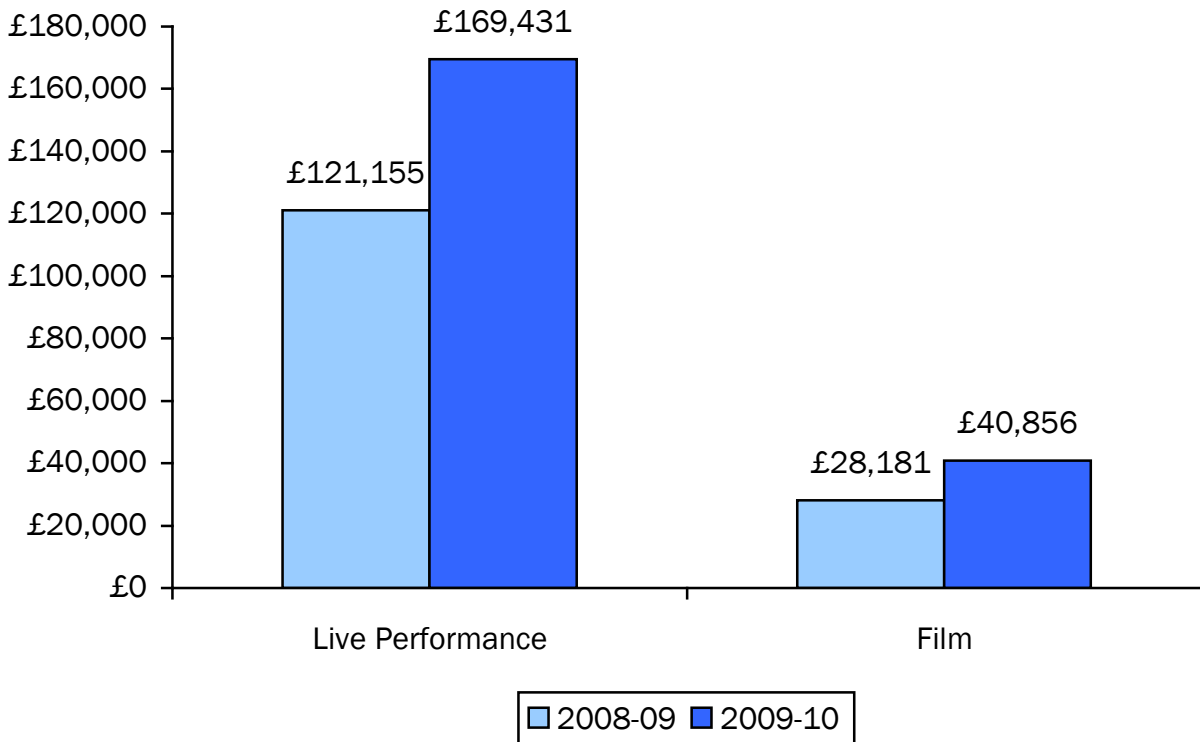
A handwritten signature in dark ink, appearing to read 'M Ward'.

Maurice Ward  
Chairman of the Board of Trustees

### TURNOVER VS COUNTY COUNCIL FUNDING



### LIVE PERFORMANCE & FILM BOX OFFICE INCOME



### 3. KEY NUMBERS: 2009 - 2010

**102,000**

People used The Maltings this year

**39,749**

Tickets sold for films, live performance and participatory events

**82%**

The increase in our earned income since 2008

**112**

The average weekly hours worked by volunteers at the theatre

**£210,287**

Taken in ticket sales this year

**£536,327**

Our total turnover this year

**£108,484**

Northumberland County Council funding for The Maltings next year

**£4.18**

The cost per head of population for funding The Maltings  
(based on the population of the former borough of Berwick-upon-Tweed)

**£1,140,612**

The economic benefit of The Maltings to Berwick-upon-Tweed and the region  
(calculated as per Dominic Shellard, *Economic impact study of UK theatre*, Arts Council England, 2004)

**£43.96**

The economic benefit of The Maltings per head of population

**8,621**

Attendances by young people aged 4 – 18 at workshops and classes this year



*Devon Black, Abbey Norman & Alan Atkins in the hit children's show The Tiger Who Came To Tea, which played for four performances in the Main House in July 2009. Photo: Robert Workmansmall*



*The Main House Theatre at a performance of The Maltings Youth Theatre & Dance's production of West Side Story, March 2010*

## 4. INSPIRING, ENGAGING, ENTERTAINING

The Maltings Theatre & Arts Centre inspires, engages and entertains the people of Berwick-upon-Tweed, North Northumberland and the Scottish Borders. Our mission statement states our intention to:

**INSPIRE** through presenting world-class performances

**ENGAGE** through learning programmes and by working collaboratively

**ENTERTAIN** through a diverse programme of events



The Maltings Theatre & Arts Centre provides a critical cultural and social focus for the historic market town of Berwick-upon-Tweed, the town's hinterland, for the Eastern Scottish Borders and the North Northumberland area.

It is the premier performing and media arts venue for the region, and is the only arts centre of its type in the 120 miles that separate Newcastle and Edinburgh.

Housed within a landmark, purpose-built building (completed in 1990) in the heart of Berwick, The Maltings offers a full year-round programme of nearly 800 events that mixes world-class professional performance and film with community-centred activities and amateur events.

At the core of the building is our recently refurbished 311-seat main house theatre with proscenium arch stage, superb sight-lines, and associated back-stage facilities including a workshop and dressing rooms.

The Henry Travers Studio is a large (150 m<sup>2</sup>) multi-purpose space which is used as a rehearsal, community and conference space as well as a venue for small-scale performing arts.

The Maltings also acts as an arts hub, housing the offices of Radio Borders, the Berwick Film & Media Arts Festival, local arts education charity Think Make Grow, and the music library of Berwick Concert Band.

The building also contains conference and meeting rooms, a recording studio, our recently-refurbished bohemian bar The Stage Door, and buzzing sub-let café/restaurant, The Maltings Kitchen, run by award-winning local chef David Foxton.

The Maltings also acts as a base for over twenty local organisations, ranging from the Berwick University of the Third Age to the Jane Keenan School of Ballet, Berwick Operatic Society to the Tweed Children's Choir.



*At the entrance to the stalls on a busy night*

# 5. REPORT OF THE BOARD OF TRUSTEES

## CHARITABLE ACTIVITIES THIS YEAR

In this section, we describe what we did in the year ending 31 March 2010. We review how what we did this year stacks up against what we planned to do, and reveal our success and failings.

### 5.1 PUBLIC BENEFIT

#### OVERVIEW

It is really important to us that we offer genuine public benefit through our activities, not just because we're a charity, but because we think that's what a theatre should do.

In shaping our objectives for the year and planning our activities, the trustees have considered the charity commissioner's guidance on public benefit, including the guidance on fee charging.

The theatre relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, as well as in committing to the programme of free or non-charged-for events in our programme, the trustees give careful consideration to the accessibility of the theatre for those on low incomes.

Almost every ticketed event has a concessionary priced ticket. A large number of free events take place every year, ranging from art exhibitions to free performances, ensuring that all members of our community can participate in the arts.

#### THIS YEAR

In 2009–10, we offered the following public benefit-orientated schemes offering reduced or free tickets:

## WE WERE THE FIRST THEATRE IN THE UK TO OFFER FREE TICKETS FOR TROOPS

- **Standard Concession Ticket:** Students, young people aged 16 and under, senior citizens, unwaged.
- **Maltings Youth Card:** young people aged 18 and under receive two-for-one tickets for almost every event. Membership is free.
- **Third Age Maltings (TAMs):** a scheme offering local residents aged 50+ free or heavily discounted tickets, as well as regular free events. Membership is free.
- **Tickets for Troops:** The Maltings was the first theatre in the UK to offer free tickets to members of the UK armed forces to almost every event. Membership is free.
- **Big Scream:** special film screenings for babies and their carers. Tickets are heavily discounted and include a free tea or coffee.
- **Friends of the Maltings:** members receive 20% off almost all tickets and 10% off purchases in the shop and bar. Membership is by subscription, from £1.50 per month.
- **Silver Screen:** special film screenings for audiences aged 50+. Tickets are heavily discounted and include a free tea or coffee.
- **Half-price Mondays:** The Maltings has recently discounted all tickets for Monday night film screenings to half their regular price for all audience members.

#### NEXT YEAR

In 2010 – 11 we will continue to offer these public-benefit-orientated schemes and we will further review our concessionary schemes to ensure that we continue to provide significant public benefit.



*The Jane Keenan School of Dance rehearse in the Travers Studio, October 2009*



*The cast of The Maltings Youth Theatre & Dance production of West Side Story, March 2010*

## 5.2 LEARNING & OUTREACH

### OVERVIEW

The Maltings is the principal – and indeed, almost the only – supplier of learning and outreach through drama and dance in North Northumberland and the Eastern Scottish Borders. We provide a base for learning activities as well as offering our own educational dance and drama programmes. Our building is home to the Maltings Youth & Junior Youth Theatre and Youth Dance Companies, the Tweed Children's Choir and String Band.

### THIS YEAR

The Maltings Youth Theatre and Dance classes recorded 8,621 attendances through the year, providing three weekly dance classes catering for young people aged nine to sixteen-and-over, and four weekly drama classes catering for young people aged four to sixteen-and-over.

Engaging young people in dance and drama classes has a proven track record of improving self-confidence and self-esteem, as well as reducing anti-social behaviour. These positive benefits are further enhanced by participation in public presentations of work undertaken at dance and drama classes.

In June 2009 The Maltings Junior Youth Theatre Company presented a fun musical, *Interstella Cinderella*, a full main house production which sold 666 tickets over four performances and was warmly received.

In March 2010, The Maltings Youth Theatre and Youth Dance Companies presented a superb co-production of *West Side Story* which nearly sold out, selling 939 tickets over four performances. This excellent production was met with great acclaim by very enthusiastic audiences, and it effectively showcased the marvellous talent of the young people who participate in our learning and outreach schemes.

The Main House also hosted productions featuring local young people by the Nancy Steele Dance Company, Berwick Middle School, Berwick Community High School, Holy Trinity School, Rotary Young Musician of the Year, the Jane Keenan School of Dance and Longridge Towers School, the PFL Audio Battle of the Bands, and the Rotary Young Musician of the Year.

This year was the last year of teaching for our talented and popular youth dance worker Cheryl Stewart, who has been with The Maltings as a freelance dance tutor for nearly twenty years. Cheryl will continue to be involved with directing youth productions, but her teaching duties will be taken over by Charlotte Payn and Emma Dunn. The year also saw Wendy Payn, our head of youth theatre, celebrate twenty years of service at The Maltings. Since she joined in 1990, Wendy has worked with literally thousands of young people from the area, not only running hundreds of classes but also writing and/or directing over forty productions.

The Maltings Youth Card, which gives young people aged eighteen and under two-for-one tickets to almost all events, has attracted 799 members in its first year. The youth card has been a real success story: encouraging young people to become regular arts attendees; helping young people spend their free time productively; and helping local families save money in a tough economic climate.

### NEXT YEAR

The Maltings will continue to provide our youth learning and outreach programmes, aiming for 8,800 attendances through the year. We will also seek funding to offset the cost of these programmes to the theatre and enable us to provide enhanced facilities. We will continue to offer the Maltings Youth Card and will aim for a total of 1,000 members.

**8,821 YOUNG  
PEOPLE  
SPENT OVER  
24,000  
HOURS AT  
OUR CLASSES  
AND  
WORKSHOPS**



*Cautionary Christmas Tales, a co-production between The Maltings and The Berwick Broadcasting Corporation in association with London-based professional company The Fitzrovia Radio Hour, Henry Travers Studio, December 2009*



*St George's Day Concert, Berwick Concert Band, April 2009*

## 5.3 COMMUNITY AND AMATEUR PROGRAMMING

### OVERVIEW

The Maltings performs a vital role in providing a theatre and rehearsal space for community and amateur productions. These productions, with volunteer actors, are of real importance to our community, enhancing social cohesion and giving a positive and creative focus for hundreds of people in the region. We are committed to building and maintaining strong relationships with our community and amateur users, including encouraging first-time producers to form new drama companies and put on their own productions.

### THIS YEAR

In 2009-10 we aimed to continue our relationships with community and amateur groups. We did this, but went further by actively encouraging more co-productions with newly formed and existing community and amateur companies to foster a vibrant local ecology of production. This policy was highly successful.

We worked with the following existing community or amateur companies to present performances in the Main House:

Berwick Operatic Society – *Sweet Charity* – April 2009  
 Un-i-Song Churches Together – *Rock* – October 2009  
 Berwick Operatic Society – *Stepping Out* – October 2009  
 Spittal Variety Group – *Sinbad The Sailor* – January 2010  
 Berwick Emergency Services – *Dr Who & the Cyberdame* – February 2010  
 Berwick Operatic Society – *Carousel* – March 2010

## WE COMMISSIONED TWO NEW PLAYS AND CO-PRODUCED SIX NEW PRODUCTIONS

In the course of the year The Maltings co-produced four pieces of non-professional theatre with new local producers and companies, working principally in our newly designated studio space, the Henry Travers Studio. This large space at reception level in our building was previously known as the Main Hall, but was renamed in 2009 to reflect our desire to use this space more for performance.

Our co-productions included working with the following newly formed non-professional companies to present performances in the Travers Studio:

Ballet Bewegung – *Ballet Bewegung* – September 2009  
 Brass Bastion Theatre Company – *Grain, Fish & Feast* – September 2009  
 Pocket Productions – *Spring & Port Wine* – October 2009  
 Leylandii Theatre Company – *Leyland: The Bison of Beal* – November 2009  
 Berwick Broadcasting Corporation in association with The Fitzrovia Radio Hour – *Cautionary Christmas Tales* – December 2009

The Berwick Broadcasting Corporation, which presents live vintage radio plays using either original or adapted scripts, have gone on to present monthly shows for free in the Stage Door Bar or Travers Studio. These have been exceptionally well attended, marking a real success story for the company.

### NEXT YEAR

The Maltings will continue to provide a hub for community and amateur groups. We hope that the refurbishment of the Travers Studio, offering a performance space at considerably less risk and cost than the Main House Theatre, will help community and amateur groups to produce more and be more experimental in their approaches to making live performance. We will aim to co-produce six productions in partnership with local producers/companies.



*The Winter's Tale, Headlong, October 2009*



*Former Poet Laureate Sir Andrew Motion headlined our 2009 Festival of the Spoken Word*



*Comedian Jason Manford's April 2009 show sold out in days*



*Legendary caberet chanteuse Camille O'Sullivan performed in the Main House in June 2009*

## 5.4 PROFESSIONAL PROGRAMMING

### OVERVIEW

At the core of The Maltings vision is to 'inspire by presenting world-class performance', as well as a commitment to 'entertain through a diverse programme'.

As the only regular presenter of professional programming in the region, it is of vital importance not only that the quality of the professional work we present is high, but that we offer a wide spectrum of performance.

Our Main House theatre, seating 311, is just big enough to attract touring productions of national significance, while the Travers Studio also offers a venue for more intimate or experimental performance.

In the course of the year we were successful in our objectives, although we still have work to do to increase the audience numbers for drama and dance in particular.

### THIS YEAR

In 2009-10 we aimed to increase the amount of our programming; to increase programming variety, quality & depth without increasing financial risk; to increase the quantity of professional dance programming; to increase the amount of stand-up comedy presented; and to build relationships with other theatres to encourage in-coming professional touring work.

We were extremely successful in increasing the amount of live programming through the year: almost doubling our programme from 100 live events in 2008-09 to 181 live events this year.

We also set new standards in the quality of touring work we welcomed to the theatre, successfully increasing programming risk without increasing financial risk. In October 2009 we pulled off a major coup by presenting Headlong Theatre's production of *The Winter's Tale* – one of just twelve theatres in the UK to receive the production, and the smallest on the list. This production was very well-attended, running for three nights (the first time for years that we've presented a three night run of a touring theatre production) and playing to over 600 audience members, including the Mayor and Sheriff of Berwick, and the Chairman and Chief Executive of Northumberland County Council, who attended on a special civic night arranged by The Maltings.

We also welcomed major UK touring companies Hull Truck Theatre Company and Unpacked Theatre, a major touring production of the children's book *The Tiger Who Came To Tea* (four performances) and The People's Theatre Company who presented our Christmas show, *Bink & The Hairy Fairy* (also four performances).

Our inaugural Festival of the Spoken Word was headlined by former poet laureate Sir Andrew Motion. We also presented evenings with Prof. Germaine Greer, Mark Thomas, Sir Donald Sinden and Simon Hoggart, amongst others.

Our music programme was varied and of consistently high quality, with performances by Camille O'Sullivan, Chris Barber and his Big Band, Julie Felix, State of Play, The Unthanks, Kathryn Tickell, Elio Pace and his band, the ever-popular Fairport Convention, and several of the better-known tribute acts which are commercially successful and which historically have attracted strong audiences.

We had planned to increase the amount of professional dance we present, but in the end we only presented two pieces of professional dance: *Mobius*

**WE  
PROGRAMMED  
OVER 180  
PROFESSIONAL  
EVENTS, NEARLY  
DOUBLING OUR  
PROFESSIONAL  
PROGRAMME**



*Mobius Dance Theatre were appointed as The Maltings' Associate Dance Company after their outstanding performance of Such Is Life in February 2010.*



*Moscow Ballet Theatre rehearse The Sprig of Rosemary on the Main House Stage (cover picture)*

Dance Theatre's *Such is Life*, and *The Sprig of Rosemary* by Moscow Ballet Theatre. It is hard for us to present dance in general due to the high costs of dance and the difficulty in building an audience for this genre. However, following Mobius Dance Theatre's performance in February 2010, we appointed the Warwickshire-based company as our associate dance company – a relationship that is already bearing fruit as Mobius create new performances for The Maltings and work with our own youth dance company.

We successfully presented significantly more stand-up comedy in the year, reflecting the increased nation-wide interest in the genre. The Maltings has now developed a reputation for excellence in this field, with very well-sold performances in the year by Jason Manford, John Bishop, Laura Solon, Milton Jones, Alun Cochrane, Russell Kane, Isy Suttie, and Richard Herring, amongst others.

One of our objectives for the year was to build our relationships with other theatres to increase the quantity of incoming or co-produced work.

We exceeded our expectations for this objective in the course of the year. We continued our 'friendship' pact with the Theatre Royal Newcastle, and expanded this further by helping to create a new joint-associate theatre company programme known as 'Bridging The Gap'. This programme, which is the first of its kind in the country, brings together the Theatre Royal Newcastle, The Maltings and The Arc, Stockton, to jointly appoint an associate theatre company to make new work across the three venues. Representatives from all venues met several times over the year, eventually appointing as our first joint associate company up-and-coming contemporary theatre company RabbitDamage, who will produce their first piece of work in the Travers Studio at The Maltings in September 2010.

Many of our visiting professional performers paid tribute not only to our stunning Main House theatre – mentioning it during their show if appropriate, frequently to applause from our audience – but also to our technical team, headed by Neil Forrest who was appointed as technical manager in May 2009. Neil, previously assistant technical manager, has led a revolution in our technical department which has transformed the way the department works. Our technical team ensures that visiting acts are greeted with a warm, professional welcome – an approach which led comedian Jason Manford to describe The Maltings as 'one of my favourite UK theatres'.<sup>1</sup>

We will continue to programme at least three nights of live performance per week, working to increase further the quality of our live programming.

We wish to build the confidence of our audience so that they trust us to consistently put on live events of an excellent quality. To do this, we will seek to programme only professional work of the highest standard – including seeking to work with the National Theatre of Scotland - and market this work aggressively.

We will seek to programme more contemporary and classical dance, and to work closely with our new associate dance company Mobius Dance Theatre to build audiences and interest in contemporary dance.

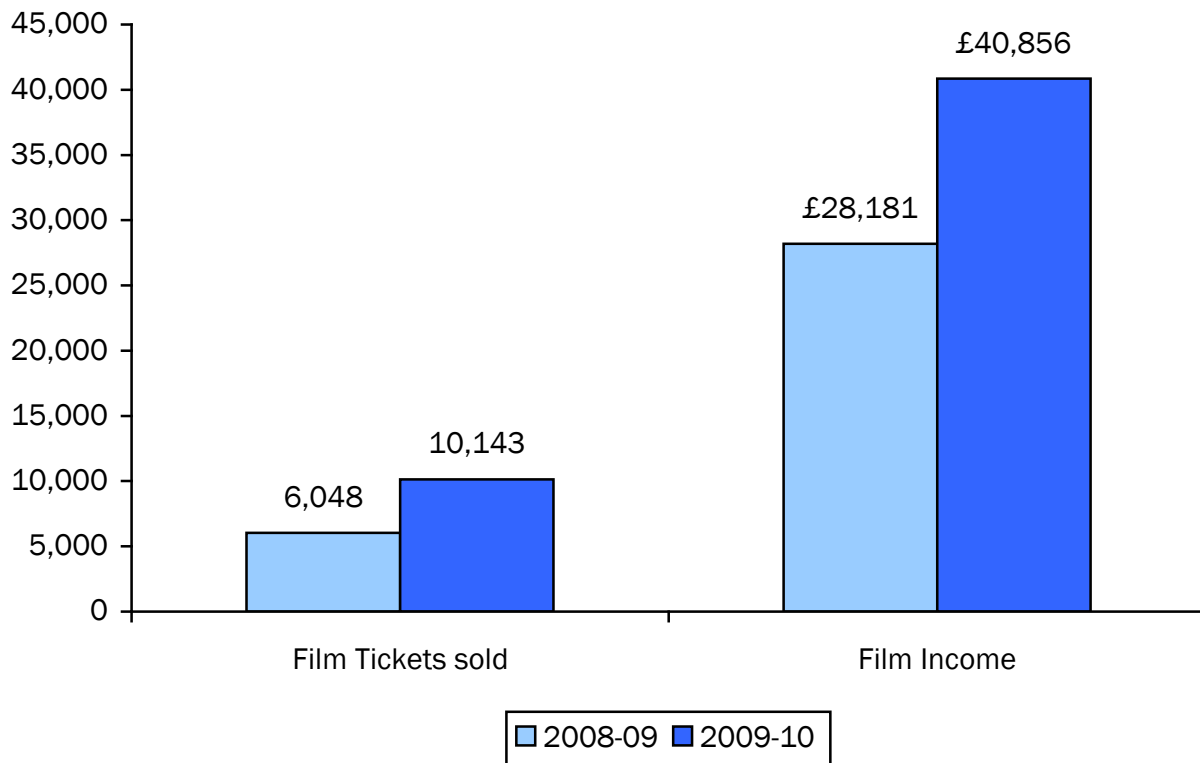
We will also seek to programme our other spaces more heavily, and move towards programming non-theatre spaces outside our building. To this end, we are negotiating for the use of a derelict Georgian building in the town, which we will seek to programme as a site-specific space in 2010–11.

THE  
MALTINGS IS  
NOW ONE OF  
COMEDIAN  
JASON  
MANFORD'S  
FAVOURITE UK  
THEATRES

## NEXT YEAR

<sup>1</sup> Jason Manford, in a post on Twitter, 29<sup>th</sup> March 2010

## FILM TICKETS SOLD & FILM INCOME



Screening of Sherlock Holmes Jr. with live accompaniment, Berwick Film & Media Arts Festival, September 2009

## 5.5 FILM

### OVERVIEW

The provision for film offered by The Maltings – as the sole cinema provider in the town - has increased dramatically over the last eighteen months.

Due to the ‘one-night’ nature of our film provision, where we tend to show a single screening of film titles, as well as the limited availability of 35mm prints, The Maltings will – at this stage - struggle to show a new-release sooner than six weeks after its release date.

We recognise the importance of film screenings to our future, not just because it makes good financial sense, but because film screenings enhance the depth and breadth of our programming. Additionally, film screenings at The Maltings significantly reduce the cost to our community of attending film – eliminating the cost of travelling to cinemas in Edinburgh and Newcastle and offering a much cheaper ticket than our urban counterparts.

Our aspiration is now to work towards becoming one of the North-East’s leading independent cinemas.

### THIS YEAR

Last year, we stated our objective to increase greatly the amount and quality of our film provision, and to work with the Berwick Film Society to provide one foreign or ‘art-house’ film every month.

We have far exceeded this ambition.

The amount of cinema screenings increased from 81 last year to 186 this year, an increase of 130%, and the value of cinema tickets sold rose from £28,181 last year to £40,856 this year.

We now work closely with the Berwick Film Society to provide nine screenings of their specially chosen films each year. In addition, we feature their films in our seasonal brochures. This closer relationship has been of great mutual benefit, and we are very pleased to have brought our two organisations closer together.

This year we also invited the Berwick Film & Media Arts Festival to move their offices from the William Elder Building into the Cooke Suite at The Maltings. Two of our senior management team – our CEO & artistic director and our marketing & development manager – now sit on the board of the festival. This improved relationship has already seen some fruitful discussions regarding how we can work more closely together in the future.

Late in the year we applied for and were awarded a Big Lottery Fund Awards for All grant for new projection equipment, including a large new projector for the Main House. This, combined with the installation of a new cinema speaker system, means that we have improved our facilities for the benefit of the whole community.

This year we showed monthly Polish language films for the Polish community, and we also pioneered the use of fundraiser film-screening nights, raising funds for the Mayor’s Charity, The Palace Green Pavilion Trust, and the RNLI through dedicated film nights.

### NEXT YEAR

We will increase the quantity of films screened to 200 screenings and become the North East’s leading independent cinema. We will also consider how best to brand our film operations to ensure that we clearly communicate the variety and quality of film on offer to our community.

**WE ARE  
CLOSE TO  
BECOMING  
ONE OF THE  
NORTH-EAST’S  
LEADING  
INDEPENDENT  
CINEMAS**

## 5.6 VISUAL ARTS

### OVERVIEW

The Alexander Knox gallery and the 'Red Walls' gallery are the two main visual arts gallery spaces at The Maltings, both of which are located on our main staircase. We also work with the Berwick Art Group, who use the Henry Travers Studio for their annual week long open-art exhibition, which attracts over 500 visitors. On the third Sunday of each month, the Travers Studio hosts Open Art run by Kate Stephenson, which provides materials and working space for local amateur artists.

The Maltings has historically run a number of two-to-three month art exhibitions on our staircases. However, our staircases are not an ideal home for art exhibitions as it is not well lit and it can be difficult for visitors to access the stairs if they are not able-bodied.

### THIS YEAR

Last year, we renamed our gallery spaces, splitting them into two areas. The Alexander Knox gallery occupies the upper stairwell, and the Red Walls Gallery occupies the lower two landings and connecting stairs.

We stated our objective to work more collaboratively with local funded partners including the Gymnasium Gallery and Berwick Museum. We also appointed a volunteer curator of exhibitions spaces, Samantha Cary, to programme our galleries.

We succeeded in our objective to work more closely with the Gymnasium Gallery. In July 2009, responding to a suggestion by local philanthropist Michael Richardson, we screened the 1960s art-house film *Blow Up* in partnership with the Gymnasium Gallery, combining this with an exhibition of original artwork used in the film and a drinks reception.

## SIX MAJOR EXHIBITIONS THROUGH THE YEAR

However, organisational changes at Berwick Museum have meant we haven't been able to work with them more closely at present, other than continuing to present 'The Light of Day', a semi-permanent exhibition bringing together rarely-exhibited visual art from the Museum with display information from Border artists collective M.I.S. Information services to create new narratives which blur the boundaries between fact and fiction. This interesting and subversive exhibition, marrying historic visual art with semi-fictional display cards, remains on display in the Red Walls Gallery.

We also provided space for a fascinating exhibition by Berwick Operatic Society of memorabilia and archive information for their 90<sup>th</sup> Anniversary in October 2009. This was extremely well attended.

The work done by our volunteer curator of exhibition spaces, Samantha Cary, has been superb. Samantha worked with a range of new fine art graduates from Newcastle and local professional artists to stage a range of innovative, very well-presented, and exciting exhibitions throughout the year. These were exceptionally well organised and received, and raised The Maltings profile as a gallery space significantly. We are very grateful to Samantha for her time, effort and enthusiasm throughout the year.

### NEXT YEAR

Our resources are very limited in terms of our ability to stage exhibitions. It seems likely that Samantha will not be able to continue in her volunteer post without funding, so this will limit our ability to mount exhibitions at the level we have this year. Our objective for next year is to continue to work with local amateur groups to offer The Maltings as a space for exhibitions, and to explore alternative ways of presenting art in our building including digitally-projected exhibitions.

## 5.7 ENGAGING WITH OUR COMMUNITY

### OVERVIEW

The Maltings is deeply embedded in our community and we rely heavily on a large number of volunteers in many aspects of our operations. Besides those amateur performers and artists who display their talents at The Maltings, over thirty volunteers assist as ushers for events and performances, enabling longer opening hours and lower staff costs than would otherwise be possible.

We would like to thank our volunteer stewards and the Friends of The Maltings for their invaluable help, without which we would not be able to continue our work.

Direct support also comes from other trusts, businesses and organisations in the form of patronage, advertising revenue, and in-kind support, for which we are very grateful.

We have an outward focus that seeks to actively take part in or support numerous other community organisations within Berwick including the work of the Berwick's Future movement, the Berwick events group, the Market Town Welcome group, the Riding of the Bounds committee and the town council.

We would like to take the opportunity to thank those individuals, trusts, businesses and organisations who have supported us by supporting our community projects and outreach work, including our Corporate Patrons, Greaves West & Ayre, as well as PFL Audio Ltd., the Barrels Alehouse, the Berwick Community Trust and the town council.

### THIS YEAR

This year our volunteers contributed an amazing 112 hours each week to the theatre, acting as volunteer stewards, volunteer actors and performers, members of our board, clearing and managing our wardrobe, distributing publicity, assisting with stuffing envelopes for our mail-shots, and generally supporting the work of the Theatre.

We also engaged with our community in other ways. Our CEO & artistic director Miles Gregory volunteered for the 'Lighting Up Berwick' Christmas lights committee which was formed to ensure that Berwick had Christmas lights for Christmas 2009. Miles was then elected chairman of the committee and worked with numerous other partners to ensure the Christmas lighting took place.

Furthermore, The Maltings took over the responsibility for organising the Berwick Christmas Lights switching on ceremony on the town hall steps, supplying the services of an event manager and our technical manager Neil Forrest for free, as well as arranging the design of the lighting and the management of the event.

This highly successful event attracted over 1,500 people, and The Maltings invited the whole town to enjoy free mince pies after the switching-on ceremony in our Stage Door Bar, which was extremely well attended.

We also worked with the Riding of the Bounds committee and provided a drinks reception in the Stage Door Bar for the riders and supporters.

We continue to host the Berwick Farmers' Market in the Travers Studio on the last Sunday of every month, which is well attended and provides a useful forum for local producers to meet and sell their products.

The Maltings continues to provide an essential opportunity for local societies and individuals to participate in the arts and so contribute to social renewal.

**OUR AMAZING  
VOLUNTEERS  
WORKED  
NEARLY 6,000  
HOURS THIS  
YEAR –  
THAT'S  
£22,000  
WORTH OF  
TIME**



*The Maltings organised the town's Christmas Lights Switching On Ceremony at the Guildhall, including lighting the Guildhall, arranging the PA, and event managing the ceremony itself – all without charge.*

Local groups who regularly used The Maltings this year included:

Amnesty International  
 Berwick Art Group  
 Berwick Broadcasting Corporation  
 Berwick Community Choir  
 Berwick Community High School  
 Berwick Concert Band  
 Berwick Farmers Market  
 Berwick Film & Media Arts Festival  
 Berwick Film Society  
 Berwick Middle School  
 Berwick Operatic Society  
 Berwick Rotary Club  
 Berwick Writers Group  
 Borders Youth Theatre  
 Brass Bastion Theatre Company  
 Community Theatre Company  
 Holy Trinity First School  
 The Jane Keenan School Of Dance  
 Local bands  
 Longridge Towers School  
 The Northstar Centre  
 Pocket Productions  
 Spittal Variety Group  
 Think Make Grow  
 Tweed Children's Choir  
 Unisong (Churches Together in Berwick)  
 University of the 3<sup>rd</sup> Age Berwick

Many of these groups use the premises for their regular rehearsals or meetings and others stage their performances/concerts here.

On the second Sunday of every month The Maltings hosts an open mic night in our Stage Door Bar, organised by Michael Richardson, which gives a platform to emerging and established local musicians; as well as an open art evening in our studio for local artists. These nights are always well attended and have provided a launchpad to numerous local bands and solo artists, many of whom have gone on to professional careers.

In addition to this, The Maltings provides a range of community service activities, ranging from our Big Scream film screenings for carers and babies, to our Silver Screen screenings for those aged 50+, all with heavily subsidised ticket prices and including a free cup of tea or coffee. These activities do not generate any surplus for The Maltings, but we undertake them because we think it's important that we offer services which encourage people who are at risk of social isolation to become better engaged with the community through participation in the arts. We also regularly donate prizes of tickets for our events for community raffles and fundraising auctions.

## NEXT YEAR

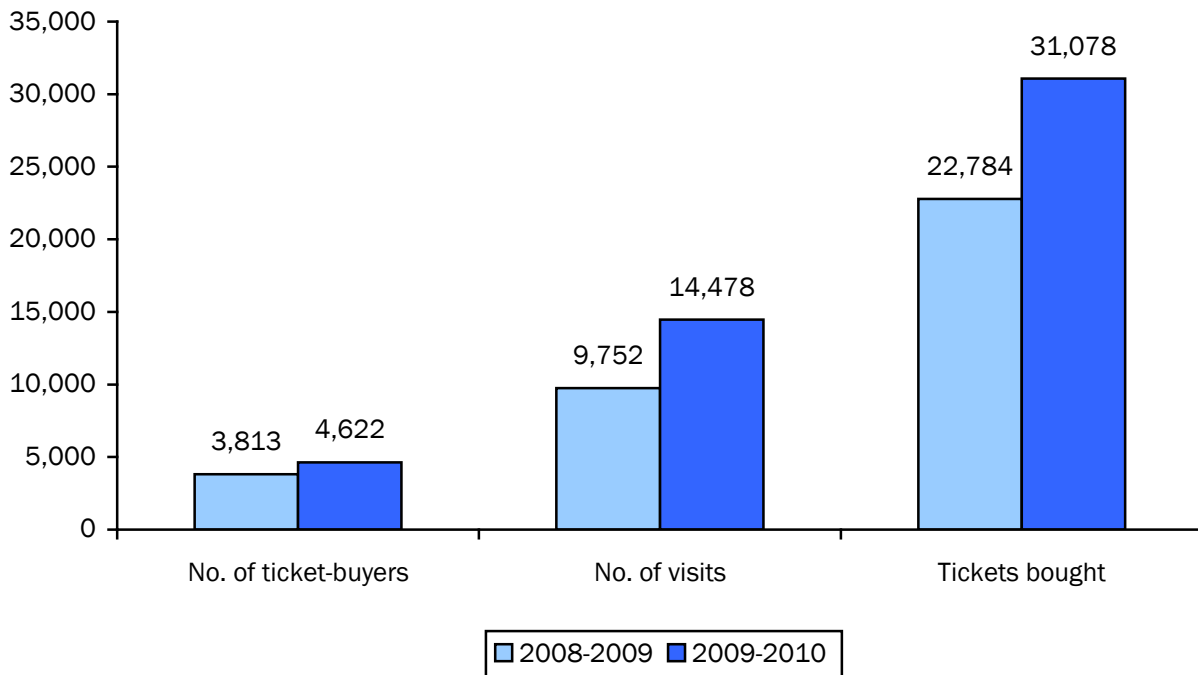
We hope to build on the support we receive from the community in years to come and believe that as local authority budgets come under increasing pressure, this will become increasingly essential to ensure our survival.

We will continue to offer our Big Scream and Silver Screen events. We will continue to offer heavily discounted conference hire rates for community groups. We will also seek to build our volunteer base to ensure that we can continue to provide our services into the future.



Tamiko Mackie, Marketing & Development Manager, interviews Berwick Community High School intern Shannon Thorpe live on Radio Borders, October 2009

## TICKET-BUYERS, VISITS, TICKETS BOUGHT



Note: Ticket-buyers refers only to the named person on our database who purchases tickets in a transaction. Normally, ticket-buyers buy more than one ticket at a time. The visits made by ticket-buyers refers to the number of events for which a ticket-buyer purchases tickets. Tickets bought refers to the total number of tickets bought by ticket-buyers in the course of the year. This year saw the quantity of ticket buyers increase significantly as new patrons were attracted to our theatre.

## 5.8 MARKETING AND AUDIENCE DEVELOPMENT

### OVERVIEW

We regard marketing and audience development as being incredibly important to the future of our theatre. 'Great art, aggressively marketed' is how we describe the process of making sure our audiences grow. We also recognise the increasing importance of digital marketing, including the use of social media to publicise shows and interact with our users. We use various benchmarks to monitor our audience development year by year.

### THIS YEAR

Last year, we didn't include specific objectives for marketing and audience development, so this year will act as a benchmark for future years.

## WE ADD AROUND 200 NEW CUSTOMERS TO OUR DATABASE EVERY MONTH

In May this year, we appointed Tamiko Mackie to the new post of marketing & development manager. Tamiko has worked tirelessly to improve the way we communicate with our audience and these changes – including a major redesign of our marketing materials including our seasonal brochure - have resulted in significant improvements through the year. Our marketing department is under-resourced, with no full-time staff, yet despite this we have grown our audiences considerably in a very short space of time by making our working practices as efficient as possible and constantly re-evaluating how we work.

This year we opened a Twitter account (@themaltings), and we now have 238 followers. We also opened a Facebook account (Maltings Arts Centre), and we have 291 friends. We've found new media to be a really effective way to communicate with our audience. We send out a weekly e-newsletter to over 1,500 recipients. In March, we advertised a special ticket reduction for an event solely by new media, and sold 231 tickets in three days.

Last year, 1,248 people joined our customer database at The Maltings. This year, 2,257 people joined our database. This incredible increase (81%) is a result of the positive changes to our programme and building being communicated effectively to our community.

Last year, our average attendance by ticket-buyers (not individual audience members) was 2.56 visits per year – which represents 9,752 visits by 3,813 ticket buyers. This year, average visits increased to 3.13 – 14,478 visits by 4,622 ticket-buyers. This compares favourably with national averages.

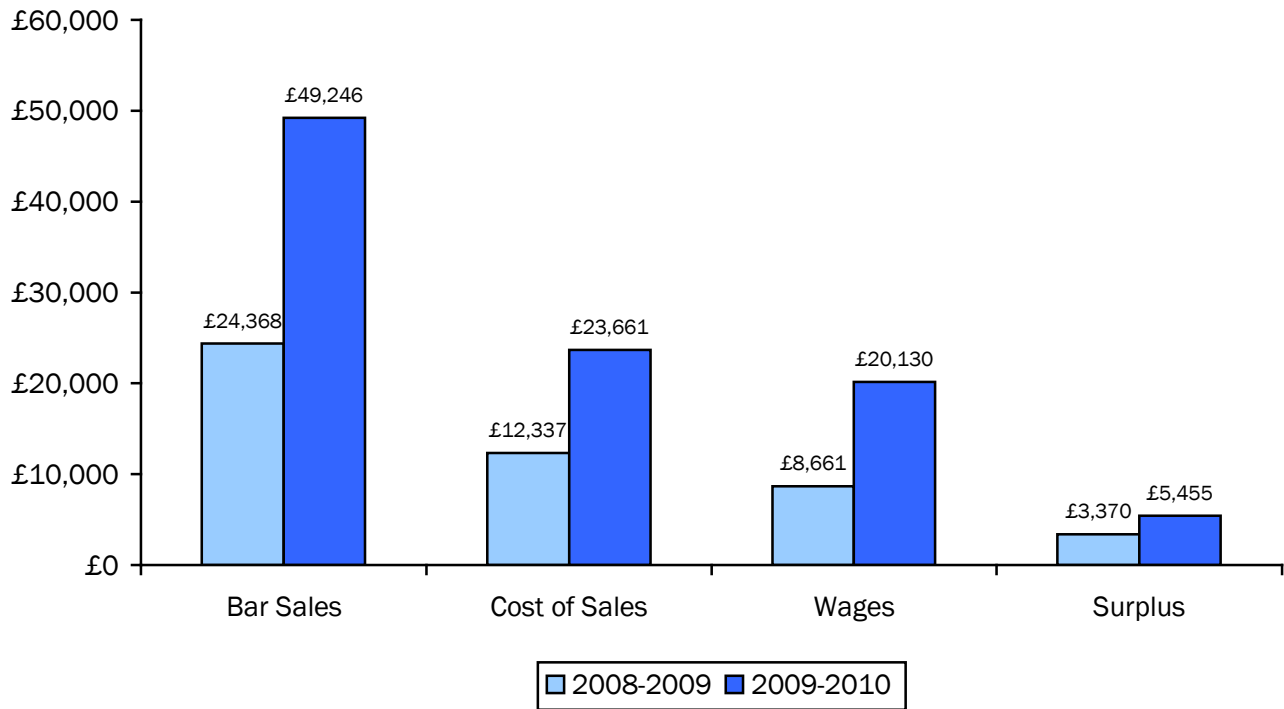
This year, we launched a new scheme called The Maltings' shop-front partnership. Every month, we send out two free transferable film tickets, plus a range of posters and flyers, to signed-up shops and businesses throughout our region, who then display our marketing materials in their shop windows or public areas. This scheme has been remarkably successful, and we have now signed up over 250 members, who regularly attend events at the theatre. This has created an important connection between The Maltings and local businesses as well as creating a sense of civic pride in the town's theatre.

We've redesigned our posters and flyers, improved our poster display areas within our building, and worked with partners like Radio Borders, the Johnston Press and show-producers to communicate our work much more effectively. Perhaps the clearest sign of this improvement in our marketing and advertising is the increase in our live performance and film ticket sales: up 33% on last year.

### NEXT YEAR

Next year, we want to increase our followers on Twitter to 260; reach 330 friends on Facebook; add 2,400 new ticket-buyers to our database; increase our shop-front partnership membership to 300; and increase live performance and film ticket sales by 10%.

## STAGE DOOR BAR TRADING



The now-famous giant mirror in the stage door bar, reflecting the eclectic lampshades, mural of a night sky, and the bar service area.

## 5.9 BAR AND ANCILLARY INCOME

### OVERVIEW

The revenue we generate from our ancillary trading is of vital importance to us. This includes revenues from the fully-licensed Stage Door Bar, confectionery, drinks and ice-creams from our box office, the small theatre shop, conferencing including room hires, income from renting office space and sub-letting our restaurant café, and income from Friends of The Maltings subscriptions. This income directly supports our charitable activities.

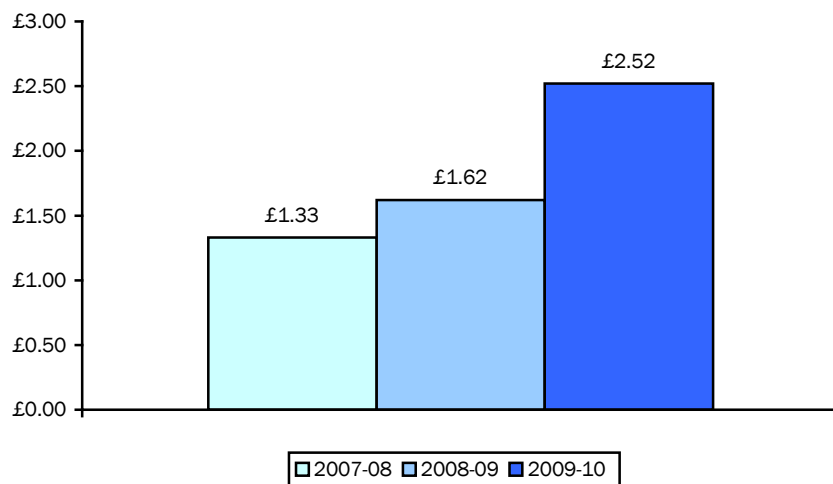
### THIS YEAR

Last year, we said we would open the bar more and aim to increase our turnover by 25%. We announced that our café/restaurant had been sub-let from March 2009. At the end of last year, we opened a small theatre shop and aimed to turn over £2,000 this year. Finally, we restructured the Friends of The Maltings, transforming this then-defunct organisation into a subscription-based discount-orientated scheme.

### OUR BAR TURNOVER INCREASED BY 102% THIS YEAR

In the summer of 2009 we gave the Theatre Bar a new name – the Stage Door Bar – and in November 2009 increased our opening hours in order to open seven nights a week from 6.00pm, rather than just on nights where the theatre was lit.

### SECONDARY SPEND PER TICKET BOUGHT



As a result of our increased programming, refurbishment, and the increased opening hours, bar turnover increased by a staggering 102% this year, from £24,368 to £49,246.

The bar trading surplus increased by 62% from £3,370 to £5,455. We have taken steps to increase the profit margins on our bar trading including increasing the range, quality and sale price of our products and renegotiating with suppliers to reduce cost.

The key indicator for the performance of our ancillary sales is the 'secondary spend per ticket', which gives an average amount spent on ancillary sales per ticket sold. Last year, this was £1.62. This year, it has risen to £2.52 – an increase of 55%.

In March 2010, we completed our second phase of refurbishment, working with local artist Chris Caput to paint a marvellous 'night-sky' across the ceiling of the bar, as well as installing new lighting and improving our drinks menu including a

**OUR  
CUSTOMERS  
NOW SPEND  
81% MORE ON  
DRINKS AND  
SNACKS**

wide range of specialist coffees. Under the management of full-time bar manager David Purves, the Stage Door Bar continues to thrive both as a successful theatre bar as well as welcoming patrons who enjoy meeting friends for 'a drink without the drama'.

As a result of increased programming, stock changes and price increases, our confectionery sales for the year increased 28% from £12,535 to £15,991. However, towards the end of the year as the recession began to affect Berwick more, we noticed sales begin to level off.

The Maltings newly sub-let café/restaurant, The Maltings Kitchen, enjoyed a very successful year under the management of award-winning local chef David Foxton. The Maltings Kitchen is now rated as one of the best restaurants in the town on website TripAdvisor.com, and attracts some 30,000 visits a year.

Our theatre shop has exceeded its first year target of turning over £2,000, reaching a turnover of £2,422 and making a welcome addition to our revenues.

One of our key mid-term objectives has been to increase the rental usage of the building and to this end we are pleased to report that the Berwick Film and Media Arts Festival now rents the Cooke Suite for their offices.

The Friends of the Maltings scheme has also proved a real success. In its first year, the subscription scheme generated an income of £4,242 and has attracted 332 members. Our Friends scheme is a model of a successful subscription scheme and our Friends also benefit from occasional free tickets as well as drinks parties and special events.

**NEXT YEAR**

In the future, revenue from our ancillary sales will become increasingly important to us, and we will actively work to increase our income from these areas. Next year, we will aim to: increase Stage Door Bar turnover to £60,000; increase sales from our theatre shop to £2,600; maintain confectionery sales at their current level; rent out more space in our building to other arts organisations; increase secondary spend per ticket to £2.85; and increase friends membership income to £5,500. We also plan to offer advertising in both our seasonal brochures and on our cinema screen.



*The Stage Door Bar after second-phase refurbishment, March 2010*

**OUR REFURBISHMENT IN PICTURES: NOVEMBER 2008 – MARCH 2010**



*The Foyer before (left) and after refurbishment (right)*



*The Stage Door Bar before (left) and afterwards (right)*



*Scenic painter Chris Caput puts the finishing touches to the new ceiling in the Stage Door Bar, March 2010*



*Our Main House theatre before (left) and afterwards (right)*

## 5.10 HUMAN RESOURCES

### OVERVIEW

Our staff are our most important asset, and we are fortunate to have an experienced and motivated team, some of whom have been with the theatre since it opened in 1990. Our staff team is lead by the CEO & artistic director, who works with a senior management team made up of the five heads of department – marketing, technical, front of house, bar and youth drama - meeting on a fortnightly basis to discuss progress and share ideas.

### THIS YEAR

As part of our commitment to aiming for best practice as an employer, we introduced regular performance and development reviews across the senior management team. These reviews, in which staff members set their own periodical objectives which are then both self- and manager-assessed, give all of our team an opportunity to exchange feedback and discuss how we can deliver better performance. They also encourage staff to identify training and development opportunities. In the course of the year we also revised our staff handbook and continued to work towards best practice with the assistance of our human resources consultants, Peninsula Business Services.

This year we celebrated the long service of three of our staff team, all of whom joined The Maltings in the year in opened: Shona Hammon, front of house manager (who actually sold tickets for the opening of the theatre from a port-a-cabin in the car park); Wendy Payn, head of youth drama; and Jean Wright, senior cleaner. The Maltings is fortunate to have such dedicated and experienced staff.

Our new marketing and development manager, Tamiko Mackie, who joined us in May, has extensive experience in film and marketing, having worked in Los Angeles in the film industry. Under her leadership, our marketing department has become a model for a theatre our size and is largely responsible for our 33% increase in ticket sales.

### THREE OF OUR STAFF CELEBRATED TWENTY YEARS OF SERVICE THIS YEAR

As ever we would like to thank our many volunteer ushers, as well as the numerous people – Michael Richardson, Brian Weatherburn, Kate Stephenson, the Friends of the Maltings committee, Samantha Cary, Naila Laundry, Sue Handoll, Barbara Lattimer-Gregory, Vera Wood, and many others - who have helped us in so many practical ways over the course of the year. Without their dedication and hard work it would not be possible for us to continue inspiring, engaging and entertaining the people of our community.

### NEXT YEAR

We will continue to work with our staff to develop our organisations skills base, including offering refresher training in fire safety and first aid.

We will aim to employ an additional staff member in our marketing department, ideally through the Future Jobs Fund.

We will continue to work with our external HR consultants to ensure that we remain compliant with all statutory duties as well as ensuring that all our staff are conversant with our internal procedures.

We will continue to hold our fortnightly Heads of Department meetings to ensure there is good communication between our senior management team members.

## 6. REVIEW OF FINANCIAL PERFORMANCE

*In this section we give a summary of our financial performance over the year, giving an honest assessment of our position at the year-end. We also consider our plans for next year.*

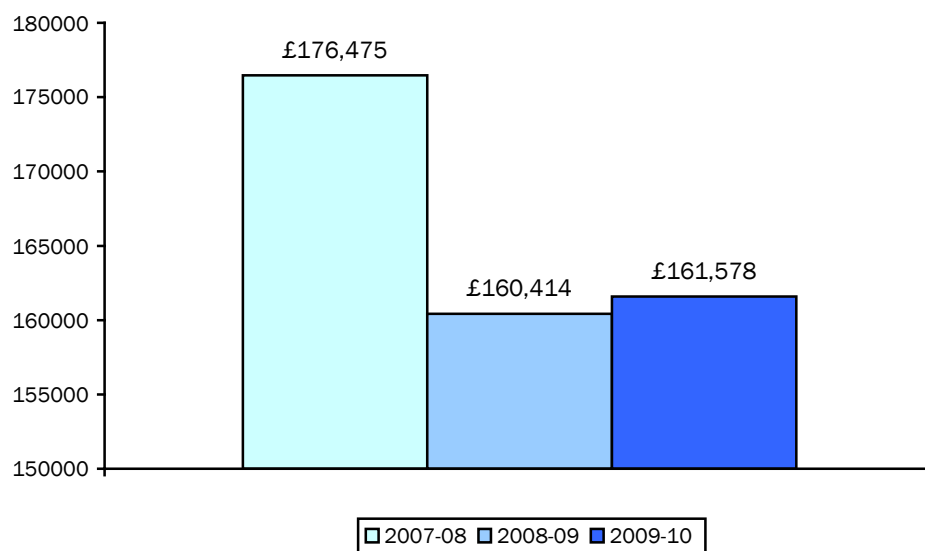
### OVERVIEW

The Maltings, like every regional theatre in the country, needs public funding to survive. We are an independent charitable trust, but we cannot earn enough money from our core activities - unless our community would be prepared to pay West End ticket prices, and increase their attendance further - to avoid a deficit without some element of state funding.

Historically, The Maltings has had a chequered financial history, and we have frequently relied on public funding to provide over 50% of our income.

Last year, our grant from our principal funder Berwick Borough Council was cut by a further £17,195 to £117,280 p.a., and this was held at a standstill this year.

### ANNUAL CORE FUNDING



**WE'VE  
REFURBISHED  
OUR THEATRE,  
BAR AND  
FOYER FULLY  
SINCE  
NOVEMBER  
2009, ON A  
BUDGET OF  
JUST OVER  
£12,000**

By 2008, we were in a poor way. Our building hadn't been refurbished for twenty years, and was dilapidated and unattractive. We were putting on fewer events every year, and these were attracting fewer audience members. We had been without an artistic director for four years. There was a sense of decline – a perception shared by our funders, who were considering whether they should continue to fund us.

In October 2008, The Maltings appointed a new chief executive & artistic director, Dr Miles Gregory; at 31<sup>st</sup> March 2009 we recorded an operational deficit of £49,197 on the year.<sup>2</sup>

Immediately upon his appointment Dr Gregory had been asked by the Board of trustees to draw up a three-year strategic plan to turn around the theatre's fortunes. This was done within six weeks of his appointment.

<sup>2</sup> All references to 'Operational Surplus/Deficit' refer to the annual surplus or deficit on the core day-to-day activities of the Trust as represented by unrestricted normal income/expenditure excluding Restricted and Designated funds & extraordinary expenditure as listed in the Operational Surplus/Deficit heading in the Income/Expenditure account on page 44.

At Dr Gregory’s request and working to his own designs, the Board invested just over £12,000 in an immediate cosmetic refurbishment of the building: the bar, main house theatre, stairwells and foyer were all repainted and the lighting was upgraded or new lighting installed. Elements of this cosmetic refurbishment continued this year – photographs showing the change this refurbishment made are on page 32.

As part of the strategic plan, building management was immediately reviewed; programming levels gradually doubled; stakeholders reassured; revenue streams re-examined and diversified.

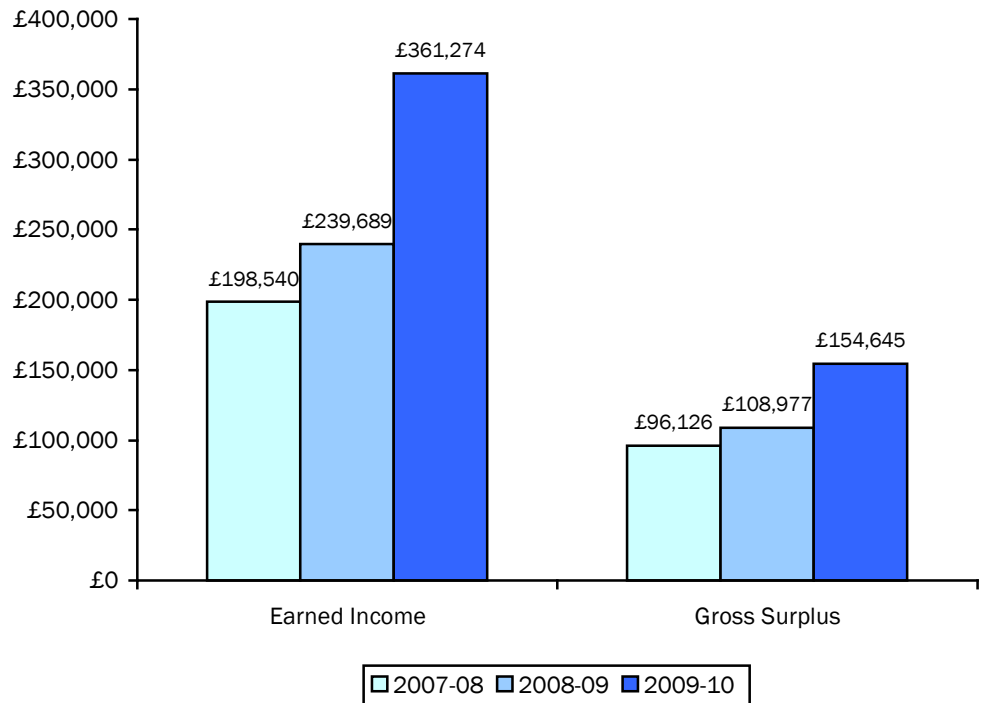
In last year’s annual report, the Board expressed a confident belief that The Maltings would trade out of deficit in time, and noted that ‘...given the recessionary trading environment – including, in Berwick, a number of retail closures and increased unemployment - the Trust’s financial performance in the final quarter has been better than could be expected.’

**THIS YEAR**

In the course of 2009–10, phase 1 of the strategic plan drawn up last year has been fully implemented.

Our earned income (total turnover excluding state funding) has increased by 51% this year, and 82% in the last eighteen months, growing from £198,540 in 2007-08 to £361,274 this year. The gross surplus on our earned income – the surplus remaining before overheads are deducted - increased by 42% from £108,977 last year to £154,645 this year.

**EARNED INCOME / GROSS SURPLUS**



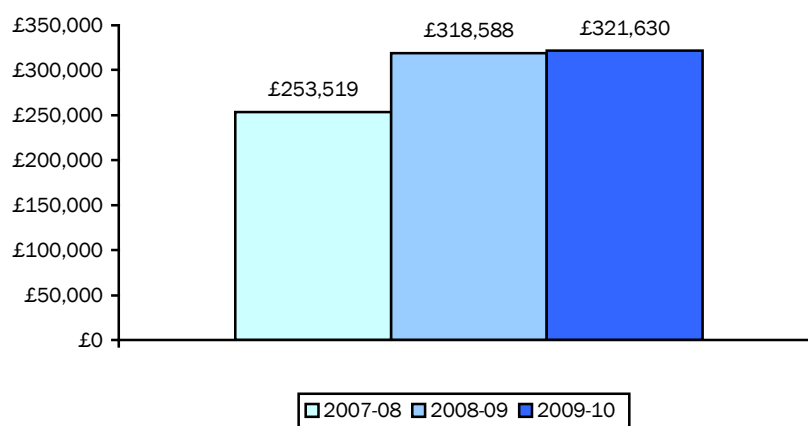
**82%**  
**THE INCREASE**  
**IN OUR**  
**TURNOVER**  
**EXCLUDING**  
**STATE**  
**FUNDING**  
**SINCE MARCH**  
**2008**

Year-on-year, live programme income (box office revenue) has increased by 40%; film income has increased by 45%; confectionery sales have increased by 28%; and bar revenue has increased by an impressive 102%.

This significant increase in turnover – up £121,585 year on year - has been achieved with only a very slight increase in overheads of £3,042, up from

£318,588 last year to £321,630 this year.<sup>3</sup> This slight increase – despite the vast increase in the use of the building – is the result of the transfer of maintenance contracts to Northumberland County Council as the result of our lease with the council finally being signed after nineteen years in March 2009; and the renegotiation of a number of our service contracts, including our telephone contract, insurance, credit card charges and changes in our licensing.

## EXPENDITURE ON OVERHEADS



Our funding from Northumberland County Council, in this first year of our new relationship, has remained at a standstill grant of £117,280 – a 2.5% cut in real terms. In the course of the year we lobbied elected representatives against further cuts, but we have now been informed that next year's funding will be cut by 7.5%. We are making efficiencies to meet this reduced funding level.

Our Arts Council funding grew in line with inflation to £44,298, and will grow in line with our funding agreement next year

Thanks to our successes this year, the percentage of our turnover represented by regular public funding has dropped from 40% to 32% (national average: 52%).<sup>4</sup> Reducing our dependency on public funding is of critical importance to our future, and we have made significant progress this year.

## WE'VE INCREASED TURNOVER SIGNIFICANTLY WHILE REDUCING OUR OVERHEADS

In operational terms, we have succeeded in achieving a turn-around from an annual operating deficit of £49,197 last year to a slight surplus this year of £2,604, a shift of over £50,000 in just twelve months. It is vastly encouraging for our team to know that in operational terms The Maltings has executed a remarkable turnaround and is now on the right trajectory.

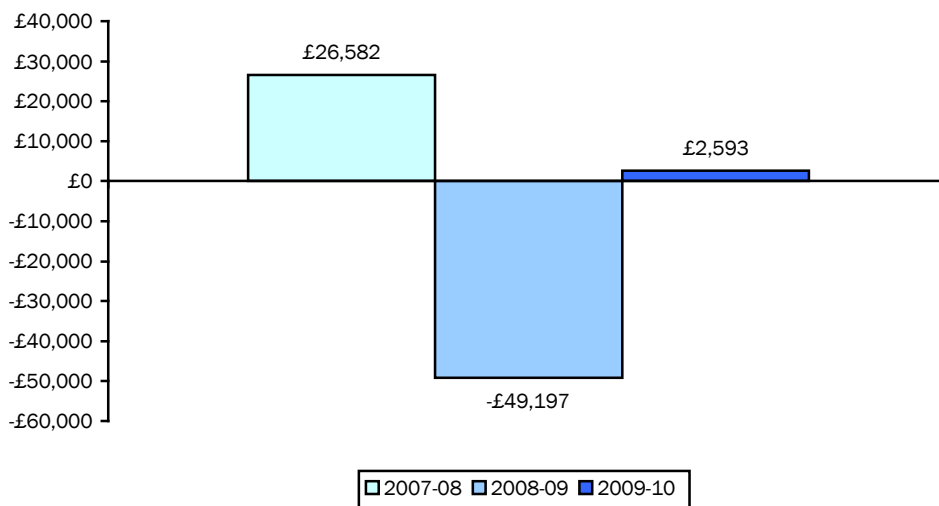
Our balance sheet position has also improved and our net deficit now stands at £6,011. £26,099 of our current liabilities is represented by forward box office sales so the position – while still serious – is not as serious as might be thought at first glance, as these monies paid to the theatre will partially be retained by us as the events to which they relate mature. Indeed, this high level of forward box office sales is an indication of our success. Nevertheless, we need to work to improve our balance sheet position as quickly as we can by seeking efficiencies in our processes; improving our margins and income; and attracting funding in

<sup>3</sup> Annual overheads & direct expenses figures are drawn from the Income and Expenditure account on p.44.

<sup>4</sup> Arts Centres Research, Arts Council England, 2006

order to post a net surplus next year and reduce our balance sheet deficit. This will take time, but we are confident that we are on the right path.

### OPERATIONAL SURPLUS/DEFICIT



**40%**  
THE INCREASE  
IN LIVE EVENT  
TICKET SALES  
THIS YEAR

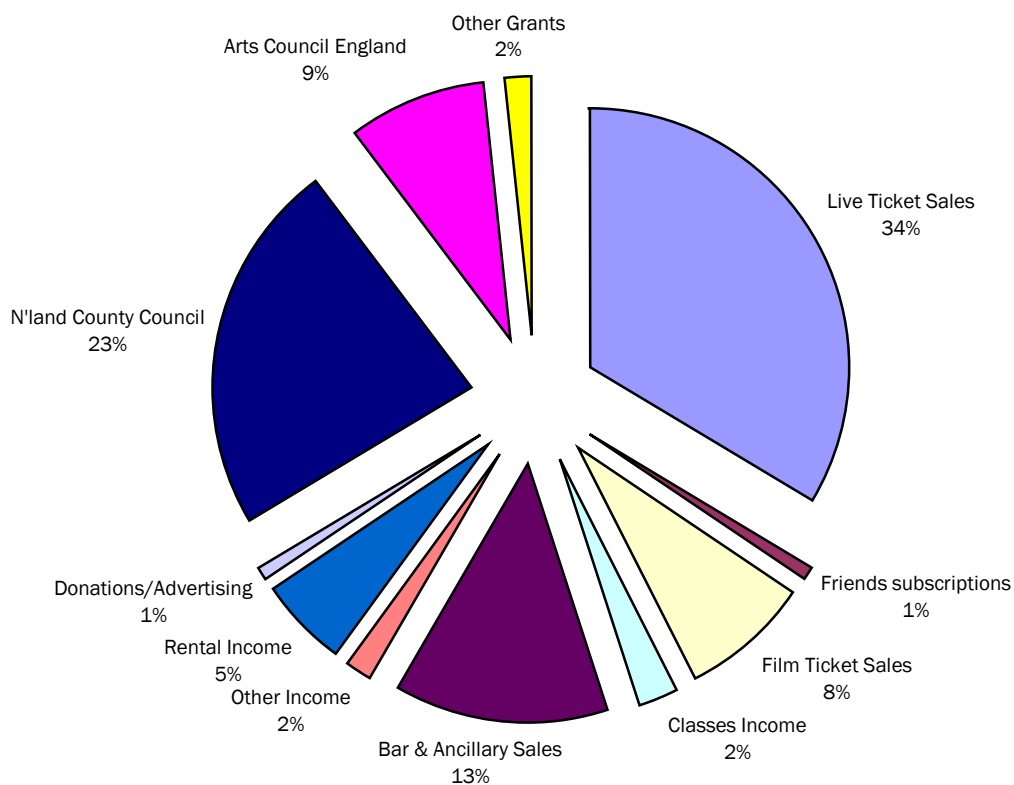
In summary, this year we have significantly increased our turnover while keeping overheads at a standstill; worked to ensure our building is used twice as much as in the past; and turned a substantial operating deficit into a surplus – in a recessionary financial environment. We are pleased with these results.

#### NEXT YEAR

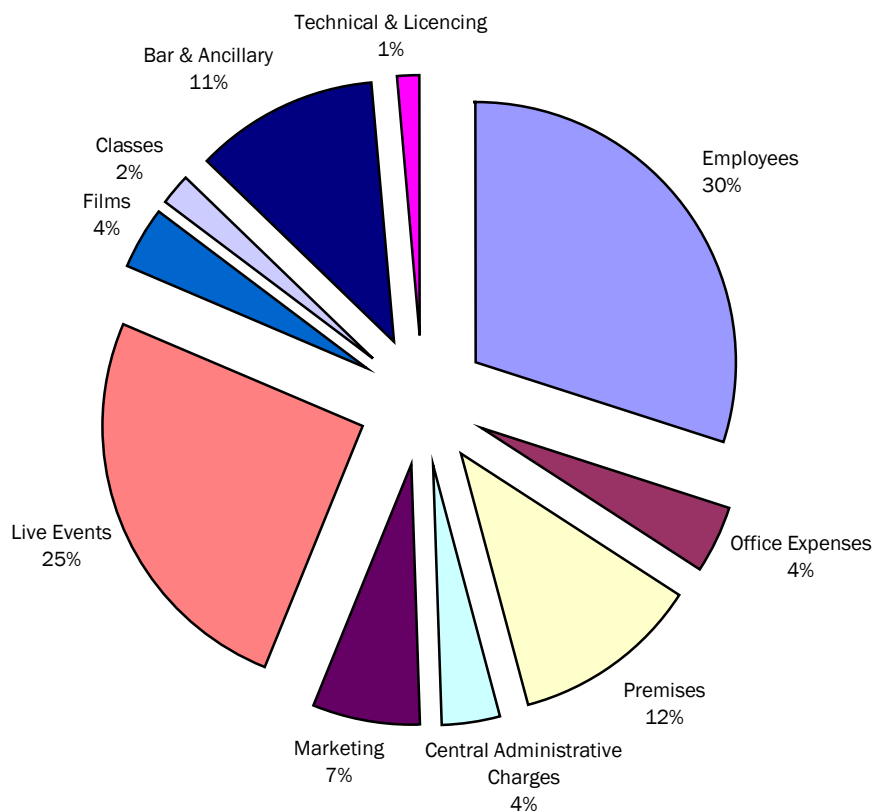
We will grow turnover by 5% and seek to trim our overheads by 5%; we will continue to monitor cashflow carefully; we will seek funding for elements of our programming and educational work; we will work to mitigate the impact of planned cuts in our grant funding from Northumberland County Council; and we will seek additional revenue through commercial opportunities such as advertising and corporate patronage.

Our future is not assured, particularly if cuts to our grant funding are made without consultation and at unsustainable levels. Our operating deficit last year was partly the result of just such a cut in funding. But our achievements this year have made our future more certain, by making The Maltings more sustainable and less dependent on public funding. With the continued support of our community and our funders, we will weather the storms to come.

## INCOME, 2009 - 10



## EXPENDITURE, 2009 - 10



## 7. STRUCTURE, GOVERNANCE & MANAGEMENT

*In this section, we give formal details of our organisation's structure, as well as information on our financial and governance policies.*

*At the time of the approval of the report, the auditors are not unaware of any relevant information and all appropriate steps have been taken to establish this.*

### 7.1 REFERENCE & ADMINISTRATIVE DETAILS

#### BOARD OF TRUSTEES 2009 - 2010

The directors of the charitable company (the charity) are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end are as follows:

Maurice Ward (Chairman)  
Elizabeth Breckons (Vice-Chairman) (Resigned June 2009)  
William McDougal-Inglis  
Hugo Hughes  
Lydia Lee  
Jenny Pollock  
Russell Sandbach  
Councillor J. E. Smith

#### CHIEF EXECUTIVE & ARTISTIC DIRECTOR

Dr Miles Gregory

#### REGISTERED OFFICE

The Maltings Theatre & Arts Centre  
Eastern Lane  
Berwick-upon-Tweed  
TD15 1AJ

#### SOLICITORS

Adam Douglas & Son  
49/51 Bridge Street  
Berwick-upon-Tweed  
TD15 1ES

#### AUDITORS

Greaves, West & Ayre  
Chartered Accountants and Statutory Auditors  
1/3 Sandgate  
Berwick-upon-Tweed  
TD15 1EW

#### BANKERS

Barclays Bank Plc  
42/44 Hide Hill  
Berwick-upon-Tweed  
TD15 1AF

COMPANY REGISTRATION NUMBER                      2332073 (England)

CHARITY REGISTRATION NUMBER                      701194

VAT REGISTRATION NUMBER                              499 9982 33

## 7.2 GOVERNING INSTRUMENTS

The Trust is governed by a Trust Deed dated 2<sup>nd</sup> May 1989, and Memorandum and Articles of Association dated 8<sup>th</sup> December 1988 as revised 11<sup>th</sup> September 2007.

## 7.3 ORGANISATION OF THE CHARITY

The Maltings (Berwick) Trust was established in 1989 as a company limited by guarantee and a registered charity. The company has no share capital. Members of the trust are eligible for election to the Board. An annual membership registration fee was introduced from 1<sup>st</sup> June 1999, the fee being £5.00 in respect of a member who is an individual, £3.00 in respect of a member who is retired or unwaged and £25.00 in respect of a member which is a corporation. The amount of future fees shall be settled at each annual general meeting.

## 7.4 TRUSTEES

The maximum number of trustees is sixteen at any time. At each annual general meeting one third of elected trustees who have been longest in office are required to retire. A retiring elected director shall be eligible for re-election. Trustees receive induction training upon appointment. The Board of trustees meets every six weeks, with an annual general meeting held in late autumn. Management issues involve all trustees and they meet as required to consider matters concerned with the day-to-day business of the company.

The trustees, as directors of the company, serving during the year ended 31<sup>st</sup> March 2010 are noted in section 7.1.

## 7.5 TRUSTEES' INTERESTS

The trustees, as directors of the company, have subscribed to guarantee the sum of £1.00 each to the debts of the trust in the event of a winding up. The trustees have no other financial interests in The Maltings and all of their time and services are provided on an entirely voluntary basis.

## 7.6 TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of its surplus or deficit for the financial year. In preparing the financial statements, the trustees are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act (2006). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## 7.7 RISK MANAGEMENT

The Board of trustees have always taken seriously the risks to which The Maltings is exposed. With additional emphasis on risk within SORP 2005 as updated in 2008, the Board has established a risk register which is reviewed on a six-weekly basis.

As well as the situation regarding general reserves (see 7.10.1), two areas of risk have received special attention: 1) the protection of The Maltings' reputation - the public image and reputation of The Maltings is of critical importance to its success, not only for its work within the community, but also the financial support, grants, donations and sponsorship necessary to continue that work; and 2) the continuing availability of finance - The Maltings is committed to working towards reducing its dependency on public funding, yet this funding remains of critical importance. Historically, Northumberland County Council and the Arts Council England, North East have been The Maltings' core funders. In the course of the financial year The Maltings has reduced the percentage of its income that is state-funded from 43% of turnover as at 31<sup>st</sup> March 2009 to 32% of turnover as at 31<sup>st</sup> March 2010. In the future, The Maltings aims to work with its two core funders to manage planned grant reductions to ensure the continued future of the theatre. The Board's objective remains to make the best and early use of resources.

## 7.8 RESTRICTED FUNDING GRANTS 2008-2009

Restricted funds continue to support initiatives and projects which are ongoing.

## 7.9. INVESTMENT POLICY AND PERFORMANCE

The Board's investment powers are set out in the Trustee Act 2000. The Maltings can invest until needed any part of its capital or income not required for the immediate running of the organisation. As a result of dramatic falls in interest rates, the financial year 2009-2010 produced a return of £11 from interest received on deposit accounts (2008-2009: £853). It is the Board's objective to provide the best possible return from investments, as well as conforming with the Trust's policy on ethical investments.

## 7.10 RESERVES

### 7.10.1 GENERAL RESERVE

The reserves policy of the trust is to maintain a level of free reserves that will enable The Maltings to ensure a continuity of activity and the ability to adjust, in a measured way, to any significant changes in resources. As part of the 2008 budget process the definition of free reserves was reviewed and further consideration was given to the appropriate minimum level. It was agreed that the minimum level of reserves be 25% of the budgeted operating expenditure and a normal working level of reserves equal to 50% of the budgeted operating expenditure. As can be seen on the balance sheet, the actual level of free reserves is extremely well below the current minimum as core-funding is insufficient to provide this. The Board continues to consider ways in which this can be corrected. The unrestricted general reserve is currently in deficit and the directors/trustees have stated in section 7.7 above how they plan to eradicate this.

### 7.10.2 REFURBISHMENT RESERVE

The directors/trustees wish to establish a sufficient reserve to meet costs of replacement of equipment and furnishings that are their responsibility, as they need to be replaced. The reserve is presently a nominal £10,856.

## 7.11 FIXED ASSETS

Movement in fixed assets are shown in note 2 to the accounts.

## 7.12. AUDITORS

The auditors, Greaves West & Ayre, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

## 7.13. EXEMPTIONS

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

## BY ORDER OF THE BOARD

Registered Office:  
The Maltings Theatre & Arts Centre  
Eastern Lane  
Berwick-upon-Tweed  
Northumberland TD15 1AJ

**Maurice Ward**  
Chairman of the Board of Trustees  
Date: 12<sup>th</sup> October 2010

## 8. FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALTINGS (BERWICK) TRUST

We have audited the financial statements of The Maltings (Berwick) Trust for the year ended 31st March 2010, which comprise the Statement of Financial Activities, the Balance Sheet, the Income and Expenditure account and the related notes. The financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the Trust's members, as a body, in accordance with Section 495 & 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditors

The trustees (who are also the directors of The Maltings (Berwick) Trust for the purposes of company law) are responsible for preparing the Trustees' (Directors') Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

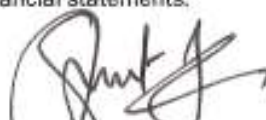
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

#### Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Stuart Faed CA  
Senior Statutory Auditor  
For and on behalf of  
Greaves West and Ayre  
Chartered Accountants and  
Statutory Auditors  
Berwick upon Tweed


12<sup>th</sup> October 2010

## THE MALTINGS (BERWICK) TRUST

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

2008-2009			2009-2010	
£	£		£	£
		<b>FIXED ASSETS</b>		
	6,882	Tangible Assets	2	63,066
		<b>CURRENT ASSETS</b>		
3,285		Stocks		5,038
11,105		Debtors and Prepayments	3	14,917
27,819		Cash at bank and in hand		36,705
<u>42,209</u>				<u>56,660</u>
		<b>CURRENT LIABILITIES</b>		
45,112		Creditors - Amounts falling due within one year	4	88,471
23,570		Prepaid Income	5	37,266
<u>68,682</u>				<u>125,737</u>
	<u>(26,473)</u>	<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<u>(69,077)</u>
	(19,591)	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(6,011)
	<u>(3,000)</u>	<b>PROVISION FOR LIABILITIES AND CHARGES</b>	6	-
	<u><b>(22,591)</b></u>	<b>NET (LIABILITIES) / ASSETS</b>	7	<u><b>(6,011)</b></u>
		<b>REPRESENTED BY:</b>		
(89,418)		Unrestricted Funds	8	(22,363)
64,315		Designated Funds	9-10	11,700
2,512		Restricted Funds	11-18	4,652
<u>(22,591)</u>			19	<u>(6,011)</u>

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

  
 Mr M W Ward  
 (Chairman)

  
 Mrs L Lee  
 (Director)

Date: 12th October 2010

Company Number: 2332073  
 Charity Number: 701194

## THE MALTINGS (BERWICK) TRUST

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

2008-2009 Restated £		Notes	2009-2010 £
239,689	Turnover	<b>1(d,f)</b>	361,274
(130,712)	Cost of Activities		(206,629)
108,977	Gross Profit		154,645
160,414	Other Operating Income (Grants)	<b>20</b>	169,578
269,391			324,223
(318,588)	Overhead and Direct Expenses		(321,630)
<b>(49,197)</b>	<b>Operating Surplus / (Deficit)</b>	<b>28</b>	<b>2,593</b>
853	Other Income - Interest		11
(48,344)	Surplus / (Deficit) from Ordinary Activities Before Taxation and Transfers		2,604
-	Extra-ordinary Costs Relating to Employment Matters		(25,549)
(230)	Transfers to other funds		-
<b>(48,574)</b>	<b>Net Surplus / (Deficit) for year</b>		<b>(22,945)</b>

## THE MALTINGS (BERWICK) TRUST

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2010

Restated 2009 TOTAL FUNDS £	INCOME & EXPENDITURE	NOTES	Restricted Funds £	Unrestricted Funds £	Designated Fund £	2010 TOTAL FUNDS £
	<b>INCOMING RESOURCES</b>					
	<b>Incoming Resources from generated funds</b>					
174,301	Voluntary Income	20	4,000	197,962	20	201,982
36,903	Activities for Generating Funds - Trading		-	67,659	-	67,659
853	Investment Income		-	11	-	11
183,568	<b>Income from Charitable Activities</b>	21	-	252,344	-	252,344
17,376	<b>Other Incoming Resources</b>		1,444	12,887	-	14,331
413,001	<b>Total Incoming Resources</b>		5,444	530,863	20	536,327
	<b>RESOURCES EXPENDED</b>					
(428,854)	Charitable Activities	22	(3,304)	(441,035)	(2,635)	(446,974)
(37,125)	Cost of Generating Funds	23	-	(68,716)	-	(68,716)
(24,389)	Governance Costs	24	-	(18,508)	-	(18,508)
(490,368)	<b>Total Resources Expended</b>		(3,304)	(528,259)	(2,635)	(534,198)
(77,367)	<b>Net Income/ (Outgoing) Resources before Extra-ordinary Items and Transfers</b>		2,140	2,604	(2,615)	2,129
-	Extra-ordinary Costs Relating to Employment Matters	25	-	(25,549)	-	(25,549)
-	Gross Transfers Between Funds	26	-	50,000	(50,000)	-
-	Unrealised gain on fixed asset revaluation	27	-	40,000	-	40,000
(77,367)	<b>Net Movement in Funds</b>		2,140	67,055	(52,615)	16,580
54,776	<b>Total Funds Brought Forward</b>		2,512	(89,418)	64,315	(22,591)
(22,591)	<b>Total Funds Carried Forward</b>	19	4,652	(22,363)	11,700	(6,011)

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

2009 TOTAL FUNDS £		Restricted Funds	Unrestricted Funds	Designated Funds	2010 TOTAL FUNDS £
(48,574)	Surplus / (Deficit) for financial year	2,140	(22,945)	(2,615)	(23,420)
-	Unrealised surplus on revaluation of assets	-	40,000	-	40,000
(48,574)	<b>Total recognised gains / (losses) relating to the year</b>	2,140	17,055	(2,615)	16,580

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS

#### 1 Accounting Policies

##### a) **Basis of Accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, updated 2008.

##### b) **Going Concern**

The accounts are prepared on a "going concern" basis which assumes the ongoing support of the Company's bankers and principal grant providers into the foreseeable future. Core funding from Northumberland Council has been secured for the financial year 2010-11 and financial support from the Arts Council England, North East has been secured until March 2011.

On this basis the Board continues to prepare the accounts on the basis that The Maltings remains a going concern. In the event of withdrawal or major reduction in funding, the use of this basis may need to be reviewed.

##### c) **Fixed Assets, Grants and Depreciation**

Fixed Assets over £100 are capitalised at cost and written off over their expected useful lives. The depreciation rates used are as follows:

Computer Equipment and Software	25% Straight Line
Office Equipment and Furnishings	15% Reducing Balance
General - Technical Equipment	20% Reducing Balance
General - Cinema Equipment	10% Straight Line
General - Fixtures and Fittings	10% Straight Line
General - Lighting and Sound Equipment	20% Straight Line
Kitchen and Catering Equipment	10% Straight Line

Fixed Assets purchased prior to 31 March 2000 were capitalised at net cost after deduction of donations and grants toward their cost. Grants towards capital items are now treated as income to a designated fund and amortised over the capital life of the assets required. Fixed Assets are reviewed regularly for impairment and written down to their recoverable amount where necessary.

See note 27 for treatment of Heritage Assets.

##### d) **Recognition of Income and Expenditure**

Pre-production costs of events are recognised on the production date. Income from productions is recognised on the production date. Donations and grants, are recognised when receivable, unless donors specify that grants must be used in future accounting periods, in which case the grant is deferred until those periods. Grants for the purchase of fixed assets are deferred and released in line with the depreciation on the fixed asset. When donors specify that

donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included as restricted income when receivable.

e) **Resources Expended**

Resources expended are included on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those expenditure categories. Other costs, which are attributable to more than one activity, are apportioned on the basis of an estimate of the proportion of time spent by staff on those activities. Governance costs are those incurred in the trust and primarily associated with constitutional and statutory requirements. Irrecoverable VAT is allocated to expenditure on charitable activities and is disclosed in note 22 to the accounts.

f) **Turnover**

Turnover consists of tickets for events, bar and confectionery income, lettings, donations, sponsorship, sundry income, outreach and project income arising during the period, net of value added tax.

g) **Stocks**

Stocks include items for resale and are valued at the lower of cost or net realisable value.

h) **Property Improvements**

Expenditure on certain property improvements is written off as incurred as the Trust has no future legal interest in such expenditure.

i) **Pension Scheme**

At one time eligible staff used to be admitted to The Local Government Pension Scheme, operated by Northumberland County Council. This is a defined benefit scheme.

The employer's contribution is set at the rate required to maintain the solvency of the fund. The rate is reviewed every three years by an independent actuary and takes account of the liabilities imposed on the fund by that employer's workforce and pensioners. In the period between fund valuations Northumberland County Council is required to monitor actual events against the assumptions made by the actuary in setting the employer's contribution rate and make any necessary adjustment, should these assumptions be exceeded.

The most recent full actuarial valuation was undertaken by Hewitt Bacon & Woodrow at 31 March 2007 and showed a funding level of 71%. The scheme is currently under-funded with a past service deficit so the Trust made a provision of £6,000 in the 2007-2008 Accounts. £3,000 was released in the years ended 31 March 2009 and 31 March 2010.

Full details of the actuarial valuation can be obtained from The Pensions Section, Exchequer Services Division, Northumberland County Council, County Hall, Morpeth, NE61 2EF. The next actuarial valuation will be undertaken as at March 2010.

Two employees were members of this pension scheme and contributions for the year amounted to £780. There were no outstanding contributions at the year end.

All other staff are entitled to join a Stakeholder Pension scheme to which the Company does not contribute.

j) **Operating Leases**

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

k) **Reserves**

Unrestricted Funds

The Revenue Fund is an unrestricted fund, which is available for use at the discretion of the Directors/Trustees in furtherance of the general objectives of the charity.

Designated funds

Designated funds comprise funds set aside specifically by the Directors/Trustees for particular purposes.

The Refurbishment Reserve Fund is a designated fund which aims to provide a fund for the replacement of fixtures and fittings, by setting aside a periodic provision. The Directors/Trustees are reviewing their current replacement policy and intend to assess an appropriate annualised replacement charge.

The Designated Capital Fund represents grants and donations received for the restricted purchase of capital items, which have been transferred to the designated fund on purchase to be written down by depreciation charges over their remaining useful economic lives.

Restricted Funds

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors or raised for particular purposes. Costs relating to these funds are charged against the specific fund.

Restricted funds comprise:-

Restricted Income Fund: for specific purposes and projects -

The Youth Dance Account: for youth dance projects only.

The Youth Theatre Account: for youth theatre projects only.

The Community Theatre Company Account: for community projects only.

The Third Age Project: for the provision of free theatre tickets and transport for the elderly only.

Arts Council Outreach Project: for funding the Outreach Project only.

Arts Council Business Development: for funding Business Development only.

Northumberland County Council - Venue Study: for funding the venue study only.

Awards For All - Projection Equipment: for the purchase of a projector only.

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

#### 2 Fixed Assets

	Computer Equipment & Software	Office Equipment & Furnishings	General Equipment (Restated)	Steinway Concert Grand Piano	Kitchen Equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
Brought Forward (restated)	23,194	3,427	87,905	16,445	6,161	137,132
Grants and Donations	(1,020)	(3,427)	(10,292)	(16,445)	-	(31,184)
	22,174	-	77,613	-	6,161	105,948
Additions	3,436	-	15,204	-	-	18,640
Revaluation	-	-	-	40,000	-	40,000
Disposals	(7,726)	-	-	-	-	(7,726)
	17,884	-	92,817	40,000	6,161	156,862
<b>Depreciation</b>						
Brought Forward (restated)	12,564	-	72,615	-	6,161	91,340
Charge this Year	804	-	1,652	-	-	2,456
On Disposals	-	-	-	-	-	-
	13,368	-	74,267	-	6,161	93,796
				-		
Net Book Value 2010	4,516	-	18,550	40,000	-	63,066
Net Book Value 2009	1,884	-	4,998	-	-	6,882

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

	2010 £	2009 £
<b>3 Debtors: Amounts Falling Due Within One Year</b>		
Debtors	1,236	3,602
Prepayments	13,681	7,503
	14,917	11,105

<b>4 Current Liabilities</b>		
<b>Creditors: Amounts Falling Due Within One Year</b>		
Trade Creditors	67,260	25,759
Accrued Charges	13,711	19,353
Other Creditors	7,500	-
	88,471	45,112

5 Deferred Income	Ticket Sales	Room Hire	Grants	Patrons	Total
	£	£	£	£	£
Balance at 1st April 2009	19,778	2,821	971	-	23,570
Funds received	-	-	9,115	-	9,115
Amount released to incoming resources	(19,778)	(2,821)	(1,013)	-	(23,612)
Amount deferred in the year	26,099	969	-	1,125	28,193
Balance at 31st March 2010	26,099	969	9,073	1,125	37,266

Deferred income comprises ticket sales and card sales received in advance and also grants which the donor has specified must be used in future accounting periods, and which meet the criteria for deferral as set out in SORP 2005.

	2010 £	2009 £
<b>6 Provision</b>		
Balance at 1st April	3,000	6,000
Provision for pension deficit	-	-
Utilised in the year	(3,000)	(3,000)
Balance at 31st March	-	3,000

7 Analysis of Net Assets Between Funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	53,905	844	8,317	63,066
Stocks	5,038	-	-	5,038
Debtors and prepayments	14,917	-	-	14,917
Cash at bank and in hand	20,442	10,856	5,407	36,705
Creditors	(88,471)	-	-	(88,471)
Prepaid income	(28,194)	-	(9,072)	(37,266)
<b>Net Assets At 31st March 2010</b>	(22,363)	11,700	4,652	(6,011)

8 Revenue Account	2010	2009
	£	£
Balance brought forward	(89,418)	(40,844)
Surplus/(Deficit) for the financial year	(22,945)	(48,344)
Transfer from Refurbishment Reserve	50,000	-
Transfer to Youth Theatre	-	(230)
<b>Balance at 31st March</b>	(62,363)	(89,418)

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

<b>9 Designated Fund: Refurbishment Reserve</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	63,260	75,791
Surplus/(Deficit) for the financial year	(2,404)	(12,531)
Transfer to Refurbishment Reserve	(50,000)	-
<b>Balance at 31st March</b>	<b>10,856</b>	<b>63,260</b>
<b>10 Designated Fund: Capital</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	1,055	1,319
Surplus/(Deficit) for the financial year	(211)	(264)
<b>Balance at 31st March</b>	<b>844</b>	<b>1,055</b>
<b>11 Youth Dance Account</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	156	156
Expenditure in year	(156)	-
<b>Balance at 31st March</b>	<b>-</b>	<b>156</b>
<b>12 Youth Theatre Account</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	-	4,400
Ticket Sales	-	8,303
Expenditure during the year	-	(12,933)
Transfer from Revenue Account	-	230
<b>Balance at 31st March</b>	<b>-</b>	<b>-</b>
<b>13 Community Company Account</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	222	222
Expenditure in year	(222)	-
<b>Balance at 31st March</b>	<b>-</b>	<b>222</b>
<b>14 Third Age Project</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	2,134	232
Sales - Third Age fundraising events	1,304	1,242
Donation received - Joicey Trust	-	2,500
Expenditure during the year	(2,785)	(1,840)
<b>Balance at 31st March</b>	<b>652</b>	<b>2,134</b>
<b>15 Arts Council England - Outreach Project</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	-	12,000
Expenditure during the year	-	(12,000)
<b>Balance at 31st March</b>	<b>-</b>	<b>-</b>
<b>16 Arts Council England - Business Development</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	-	1,500
Expenditure during the year	-	(1,500)
<b>Balance at 31st March</b>	<b>-</b>	<b>-</b>

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

<b>17 Northumberland County Council - Venue Study</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	-	-
Grant received	4,000	-
<b>Balance at 31st March</b>	4,000	-

<b>18 Awards For All- Projection Equipment</b>	<b>2010</b>	<b>2009</b>
	£	£
Balance brought forward	-	-
From Deferred Grant	140	-
Expenditure during the year	(140)	-
<b>Balance at 31st March</b>	-	-

<b>19 Statement of Reserves</b>	<b>Balance Brought Forward (2009)</b>	<b>Incoming Resources / Increase</b>	<b>Outgoing Resources</b>	<b>Extra-ordinary Expenditure</b>	<b>Transfers between funds</b>	<b>Balance Carried Forward (2010)</b>
Revaluation Reserve	-	40,000	-	-	-	40,000
Revenue Reserve	(89,418)	530,863	(528,259)	(25,549)	50,000	(62,363)
<b>Subtotal Unrestricted Funds</b>	(89,418)	570,863	(528,259)	(25,549)	50,000	(22,363)
Refurbishment Repair Reserve	63,260	20	(2,424)	-	(50,000)	10,856
Capital Fund	1,055	-	(211)	-	-	844
<b>Subtotal Designated Funds</b>	64,315	20	(2,635)	-	(50,000)	11,700
Youth Dance Account	156	-	(156)	-	-	-
Awards For All- Projection Equipment	-	140	(140)	-	-	-
Venue Study	-	4,000	-	-	-	4,000
Community Theatre Account	222	-	(222)	-	-	-
Third Age Project	2,134	1,304	(2,786)	-	-	652
<b>Subtotal Restricted Funds</b>	2,512	5,444	(3,304)	-	-	4,652
	(22,592)	576,327	(534,198)	(25,549)	-	(6,011)

<b>20 Voluntary Income</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Total Income 2010</b>	<b>Total Income 2009</b>
	£	£	£	£	£
<b>Grants received</b>					
Northumberland County Council	-	117,280	-	117,280	117,280
Arts Council England, North East	-	44,298	-	44,298	43,134
The Joicey Trust	-	-	-	-	2,500
Other	4,000	8,000	-	12,000	-
	4,000	169,578	-	173,578	162,914
Donations/Sponsorship	-	5,729	20	5,749	181
Notional income from Donated Services	-	22,655	-	22,655	11,206
	4,000	197,962	20	201,982	174,301

<b>21 Income from Charitable Activities</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Total Income 2010</b>	<b>Total Income 2009</b>
	£	£	£	£	£
Programme income	-	169,431	-	169,431	121,155
Film income	-	40,856	-	40,856	28,181
Lettings	-	27,680	-	27,680	20,253
Classes	-	12,264	-	12,264	11,586
Projects	-	760	-	760	782
Film Advertising	-	1,353	-	1,353	1,611
	-	252,344	-	252,344	183,568

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

22 Expenditure on Charitable Activities	Restricted Funds	Unrestricted Funds	Designated Funds	Total 2010	Restated Total 2009
	£	£	£	£	£
Employee Costs	-	135,315	-	135,315	138,103
Notional Cost of Donated Services	-	22,655	-	22,655	11,206
Staff Recruitment, Training and Subsistence	-	2,158	-	2,158	1,519
Premises Costs	-	50,151	2,424	52,575	84,963
Marketing / Outreach / Projects - Office Costs	-	18,999	-	18,999	24,849
Publicity and Promotions	378	32,210	-	32,588	27,237
Subscriptions, Licences and Technical	-	6,400	-	6,400	5,676
Programmed Events Costs	2,786	151,314	-	154,100	116,083
Other Direct Cost: Non Reclaimable VAT	-	18,115	-	18,115	17,942
Other Direct Cost: Past years' Vat Errors	-	1,614	-	1,614	-
Other Direct Cost: Depreciation	140	2,104	211	2,455	1,276
	3,304	441,035	2,635	446,974	428,854

The expenditure through designated funds represents refurbishment and depreciation of assets.

23 Cost of Generating Funds	Unrestricted Funds	Total 2010	Total 2009
	£	£	£
Bar and Confectionery Sales & Expenses	55,315	55,315	29,173
Bank and Credit Card Expenses	4,829	4,829	5,952
Other Employee Costs	3,000	3,000	2,000
Other Overheads	5,572	5,572	-
	68,716	68,716	37,125

24 Governance Costs	Unrestricted Funds	Total 2010	Total 2009
	£	£	£
Office Expenses	900	900	3,000
Audit Fees	3,800	3,800	3,812
Professional Fees	5,808	5,808	7,577
Employee Costs	8,000	8,000	10,000
	18,508	18,508	24,389

#### 25 Extra-ordinary Costs Relating to Employment Matters

The £25,549 extra-ordinary expenditure is made up of additional costs/time covering the work of a member of staff on long term sick pay, the services of a bookkeeper employed to cover long-term sickness leave, severance pay, and costs relating to the termination of two employment contracts.

26 Transfers Between Funds	Unrestricted Funds	Designated Funds	Total Funds
	£	£	£
Restricted project Funds	-	-	-
Transfer to Revenue Fund	50,000	(50,000)	-
Net transfers between funds	50,000	(50,000)	-

The trustees considered it is now unnecessary to retain a large balance in the refurbishment reserve, as the maintenance and upkeep of the building is now undertaken by Northumberland County Council.

#### 27 Heritage Assets

The Maltings holds a 1950 Model D Steinway Piano which was donated by The Friends in 1990. Its value at acquisition was £16,445 but, in accordance with the accounting treatment at the time, has been held at nil net book value in the accounts since then.

Trustees recognise that this asset has appreciated in value since acquisition and will do so further. The Steinway is held and maintained principally for its contribution to culture within the community and has significant historical and artistic qualities.

Therefore, Trustees have considered that the Steinway should be accounted for as a heritage asset which, under the provisions of the new accounting standard FRS30, should be recognised on the balance sheet at its current value.

Independent market valuation at September 2010 has been obtained from Besbrodes and a figure of £40,000 placed on the asset. Accordingly, a revaluation has taken place through the accounts and Trustees will regularly review the value. Following guidance laid down in the provisions of FRS30 and FRS15, Trustees do not consider that depreciation is appropriate for this class of assets.

The value of the Steinway at 31 March 2009 is estimated at £38,000. It is not practical to provide a reliable valuation prior to that date. (Continued)

## THE MALTINGS (BERWICK) TRUST

### NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

#### 27 Heritage Assets (Continued)

The policy for receiving and accounting for, managing, preserving and disposing of such assets is held by Trustees. The Maltings currently does not hold any other assets considered to be heritage assets, but would account for these in the same way upon acquisition.

#### 28 Operating Surplus/(Deficit)

Operating Surplus/Deficit is stated after charging the following items:

	2010	2009
	£	£
Audit Fee	3,800	3,812
Depreciation	2,455	1,012

The Auditors also received £2,370 for payroll services (2009 £1,840).

#### 29 Operating Lease Commitment

At 31st March 2010 the company was committed to making the following payments during the coming year in respect of operating leases:

	Office Equipment	
	2010	2009
	£	£
Leases which expire within 1 year.	2,088	1,074
Leases which expire within 2-5 years.	-	-

#### 30 Related Party Transactions

All related party transactions are carried out on an "Arm's Length" basis within the normal course of business.

#### 31 Staff Costs

	2010	2009
	£	£
Wages & Salaries	185,110	170,634
National Insurance	13,235	11,982
Pension Costs	780	745
	199,125	183,361

The average number of staff during the year was 15 (2009: 18) - 3 full-time and 12 part-time (or FTE of 6).

8 employees earned between £10,000 and £60,000 in the financial year (2009: 6).

No employee earned £60,000 p.a. or more.

The cost of volunteer help in stewarding is included in these accounts. This is estimated and based on 3 stewards per show being paid minimum wage (£5.80/hour) for 3.5 hours per show. This figure is also reflected in donations received.

The pension scheme is a defined benefit scheme - see note 1 (i) - covering two members of staff.

No remuneration was paid or expenses reimbursed to trustees or to any persons connected with them.

Trustee Indemnity Insurance has been taken out at a cost of £473 (2009- £473).

#### 32 Taxation

The Company's activities as a registered charity to promote the Arts are understood not to be liable to Corporation Tax.

#### 33 Share Capital

(a) The Company is limited by guarantee and has no share capital.

(b) There are no permanent endowment funds.

#### 34 Controlling Party

The charitable company is controlled by its Directors as Trustees.

#### 35 Going Concern

In view of the Company's net liabilities situation at the year end, the Directors/Trustees have put systems in place to monitor cash flow in the short term to ensure that the charitable company is able to continue to operate as a going concern into the foreseeable future. Funding is in place for the next financial year and Directors/Trustees are confident that sufficient income is being generated to meet all normal expenditure and liabilities as they fall due.

## 9. FUNDERS & SUPPORTERS

An organisation such as The Maltings which receives just 32% of its income from state funders cannot carry out its charitable aims without active support from the community.

In this respect we are indebted for the considerable level of support we receive from our supporters, in particular through the Friends of The Maltings, but also to the many individuals who have donated funds to us over the year.

We also appreciate the direct support that comes from other Trusts, businesses and organisations in our region and nationally.

We would like to take the opportunity to thank those individuals, Trusts, businesses and organisations who have supported us by supporting our community projects and outreach work.

We would like to thank our principal funders – Northumberland County Council, Arts Council England, the Big Lottery Fund and the Community Foundation serving Tyne & Wear and Northumberland, as well as our corporate patrons Greaves West & Ayre - for their support of our work in North Northumberland and the Scottish Borders.



# NORTHUMBERLAND

C O U N T Y C O U N C I L

Corporate Patrons:

