



**THE MALTINGS THEATRE & CINEMA  
ANNUAL REPORT & ACCOUNTS, 2010 - 11**

## THE MALTINGS THEATRE & CINEMA

Eastern Lane, Berwick-upon-Tweed TD15 1AJ



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

The Maltings Theatre & Cinema 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 12<sup>th</sup> October 2010.

The objects for which the company is registered are to promote, maintain, improve and advance education particularly by the encouragement and provision of all forms of the Arts. Principally for, but not restricted to, everybody residing in the North East of England and the Scottish Borders.

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 2011

Chief Executive & Artistic Director: Dr Miles Gregory  
Marketing & Development Manager: Tamiko Mackie  
Technical Manager: Steven Percy  
Front of House Manager: Shona Hammon  
Bar Manager: David Purves  
Head of Youth Drama/Deputy Front of House Manager: Wendy Payn  
Theatre Intern: Cameron Cheek  
Book-keeper: Cathryn Ritchie  
Technician: Jimmy Manningham  
Cleaners: Alyson Dudgeon, Sandra James, Chris Caput  
Box Office Staff: Neil Davidson, Rebecca Hammon, Charlotte Payn, Shannon Thorpe

### VOLUNTEER STAFF

Wardrobe Mistresses: Vera Wood & Veronica Presland

Cover image: *The Henry Travers Studio, photographed by Daniel Lee Cox*

# THE MALTINGS THEATRE & ARTS CENTRE

## Annual Report & Accounts 2010-11

- 1 Chief Executive's welcome
- 2 Chairman's statement
- 3 Key numbers: 2010-11
- 4 Inspiring, engaging, entertaining
- 5 Report of the Board of Trustees
  - 5.1 Public benefit
  - 5.2 Learning & outreach
  - 5.3 Community & amateur programming
  - 5.4 Professional programming
  - 5.5 Film
  - 5.6 Visual arts
  - 5.7 Engaging with our community
  - 5.8 Marketing & audience development
  - 5.9 Bar & ancillary income
  - 5.10 Human resources
- 6 Review of financial performance
- 7 Structure, governance & management
- 8 Financial statements
- 9 Funders & supporters

*Our 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.*



Figure 1: The Fitzrovia Radio Hour, who performed their award-winning show in the Main House in March 2011.

# 1. CHIEF EXECUTIVE'S WELCOME



This has been the most successful year on record for The Maltings Theatre & Cinema; my team and I are extremely proud of what we've achieved in the last two and a half years.

We believe that our community wants a vibrant, exciting theatre; that people want the arts to lift them from their everyday reality into the realm of inspiration; that our town and region needs – and deserves – the best theatre that we can provide.

The results set out in this Annual Report prove our beliefs to be well-founded.

Our theatre, once a struggling, dilapidated arts centre with a chequered financial history and selling just 23,000 tickets a year, is now – only two years later – a flagship regional venue selling almost 50,000 tickets annually with a national reputation for excellence and hospitality. We are all proud of our beautiful and successful theatre.

The decision taken by the Trustees in late 2008 to adopt a bold, innovative, quality-led approach to turn around the theatre's fortunes has led to results this year which would have been unthinkable in the past.

Our box office income this year is 44% higher than last year. Since 2008, our box office income has increased by 96%.

Our earned income (total income excluding state funding) has increased by 53% this year and 179% since 2008, growing from £198,540 in 2008 to £553,317 this year. Our annual state funding has been reduced by some £30,000 in the same period.

These figures, although remarkable in themselves, only tell part of the story.

We've been working extremely hard to consolidate our reputation as the North-East's leading mid-scale presenting theatre by focussing on the quality of the work we present and the quality of our customers' experience.

In February we were successful in our £78,000 application to the European LEADER Coast and Lowland Programme for funding to transform our hall into a new theatre and film studio. Just six weeks later all works had been completed and a new state-of-the-art black box theatre - The Henry Travers Studio - was opened in front of a capacity crowd.

In March 2011, The Maltings' application to Arts Council England for National Portfolio status was successful. Following a rigorous application process, The Maltings is now one of 695 organisations that have achieved National Portfolio Organisation status out of 1,333 arts organisations that applied. Our Arts Council funding will be quadrupled from April 2012, - the fourth highest percentage increase in the country. With this new funding will come new responsibilities. From 2012 onwards we will deliver an ambitious visual arts programme in our town and area, while also improving the arts education we can offer. This future increase in funding represents a significant vote of confidence on the part of the Arts Council in The Maltings' track record and trajectory.

Our success should be seen as the result of increased confidence and pride in this theatre on the part of our community and our funders, who have responded to our leadership, vision and ambition. Whatever the future holds, I will always be extremely proud of what my team and I have achieved in such a short space of time.

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 explains 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'. The signature is fluid and cursive.

Miles Gregory  
Chief Executive & Artistic Director



Figure 2: The Maltings Youth Dance Company on stage in the Main House.

## 2. CHAIRMAN'S STATEMENT



At the conclusion of my statement in last year's report are the words "I hope this report...conveys our sense of ambition for the future". That ambition was to grow The Maltings' activities and offerings into as comprehensive, varied and full a programme as is practicable for a locality such as ours.

You will see from this report that this ambition has been largely met, in particular by the opening of the new studio space and the award of National Portfolio Organisation (NPO) status by the Arts Council of England. This new status and grant increase will enable us to expand our activities into other areas of the arts and, probably, additional premises in Berwick. These details are yet to be finalised.

The year has seen an impressive expansion of our programme, tickets sales and activities.

All of the above have been achieved by the vision, skill and industry of Dr. Miles Gregory our Chief Executive and Artistic Director, along with a strong management and staff team who have worked tirelessly throughout the year to meet their aims.

I am especially pleased by the comments I have heard or read both from audiences and performers. Aside from compliments from audience members about both the performances and the friendly helpful attitude of the staff, there have been comments about moving closer to Berwick because of the Maltings or considering leaving should it ever close.

Several nationally-known performers have also commented to us directly or more widely to our audiences, on their surprise and delight in performing in such an unexpectedly lovely and welcoming theatre. We are now on the Arts "map" and known throughout the country as a quality venue.

We remain grateful for the continued support from our main funders - the Northumberland County Council and Arts Council North East - as well as our sponsors Greaves West & Ayre and The Friends of the Maltings.

I thank my fellow Board members for their commitment and work throughout the year. Their knowledge and wisdom plays an important role in forming our policies and developing the direction of our future. They also play an important part in the stewardship of our organisation.

During this year we said farewell to a very long-serving Board member, Cllr Jim Smith, who had to resign due to a conflict of interest with a new role he took on at Northumberland County Council. Jim served on the Board of The Maltings for many years, joining in 1991. His service and dedication through some turbulent times is highly valued. We wish Jim well for the future in his new position as Vice Chairman of Northumberland County Council.

Lastly, I would like to thank all the staff and volunteers for their hard work, ingenuity and positive support over the past year. The Maltings is just a building, but our theatre is so much more than just bricks and mortar, and that is due to the enthusiasm, time, effort and commitment that the volunteers, staff, senior management and Board have put into it. For that we owe them our thanks and congratulations on a job well done.

Over the next three years our endeavours will be to meet the new commitments we will take on as the result of the new grant funding. We now make a significant contribution to the local economy and have become an important part of Berwick life for many people. We will always be developing, looking for opportunities and changing as the arts and culture scene and its technology change around us. In this ever changing world, we will go as far as we can to ensure the future sustainability of the Maltings and what it does.

I trust this report accounts fully for our stewardship as Trustees and outlines our intentions for the next few years.

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

Maurice Ward  
Chairman of the Board of Trustees



Figure 3: If Walls Could Talk: Mobius Dance Theatre in association with The Maltings Theatre, The Penny Lodging House, October 2010.



### 3. KEY NUMBERS: 2010-11

**114,000**

People used The Maltings this year

**47,768**

Tickets sold for films, live performance and participatory events

**42.1%**

The growth in the number of tickets sold year-on-year

**232**

The average weekly hours worked by volunteers at the theatre

**£288,581**

Taken in ticket sales this year

**£721,404**

Our total incoming resources this year

**42%**

Our average annual growth in earned income over the last three years

**-5.24%**

Our average annual change in core funding over the last three years

**238**

Live performances presented in the year

**318**

Film screenings in the year

**2,551**

The number of The Maltings' friends on social networking site Facebook

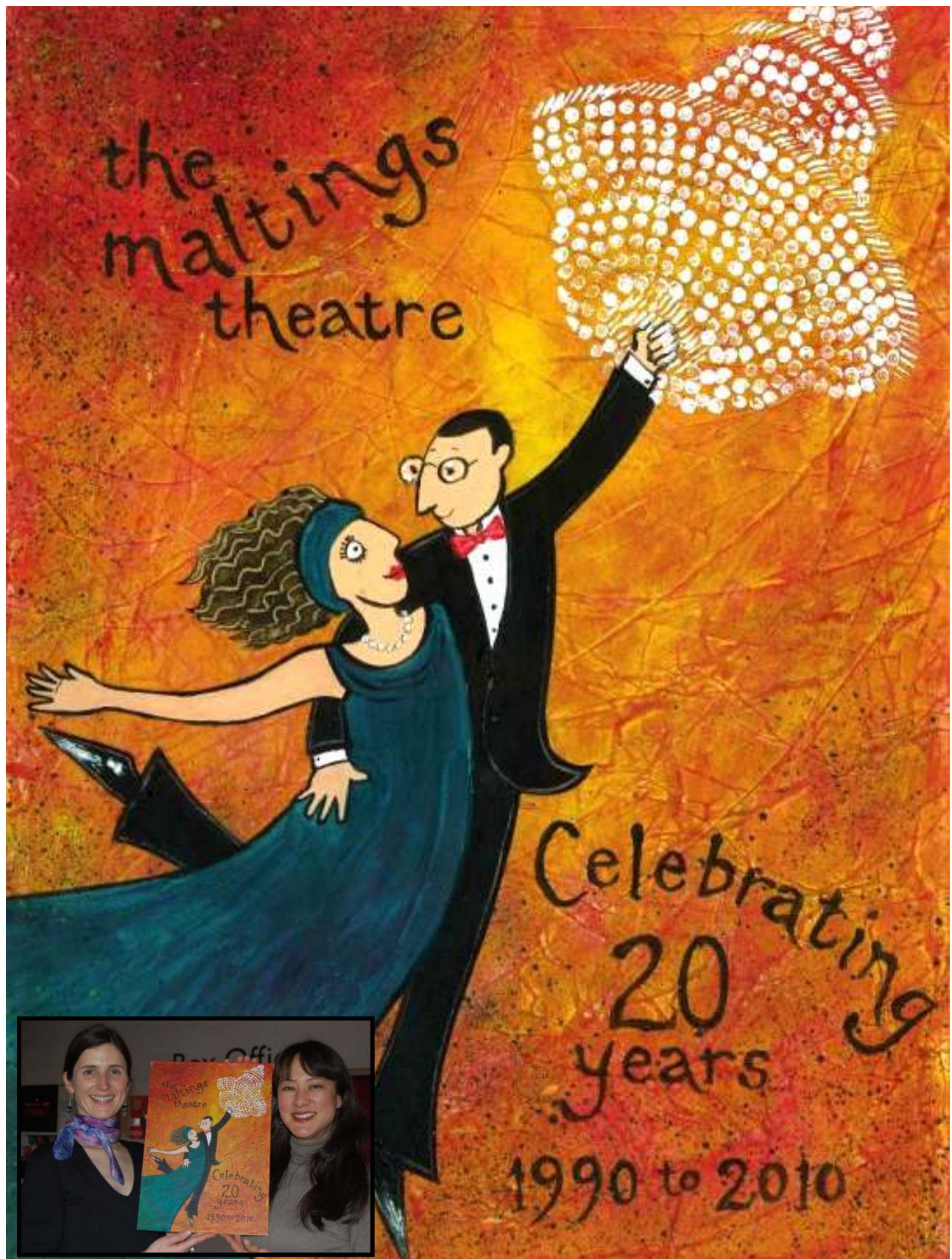


Figure 4: The Maltings Twentieth Anniversary poster, designed by Victoria Holland (pictured with The Maltings Marketing & Development Manager Tamiko Mackie), winner of our competition to design a poster celebrating our twentieth anniversary on April 4 2010.

## 4. INSPIRING, ENGAGING, ENTERTAINING

The Maltings Theatre & Cinema 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 & Cinema 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 850 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.

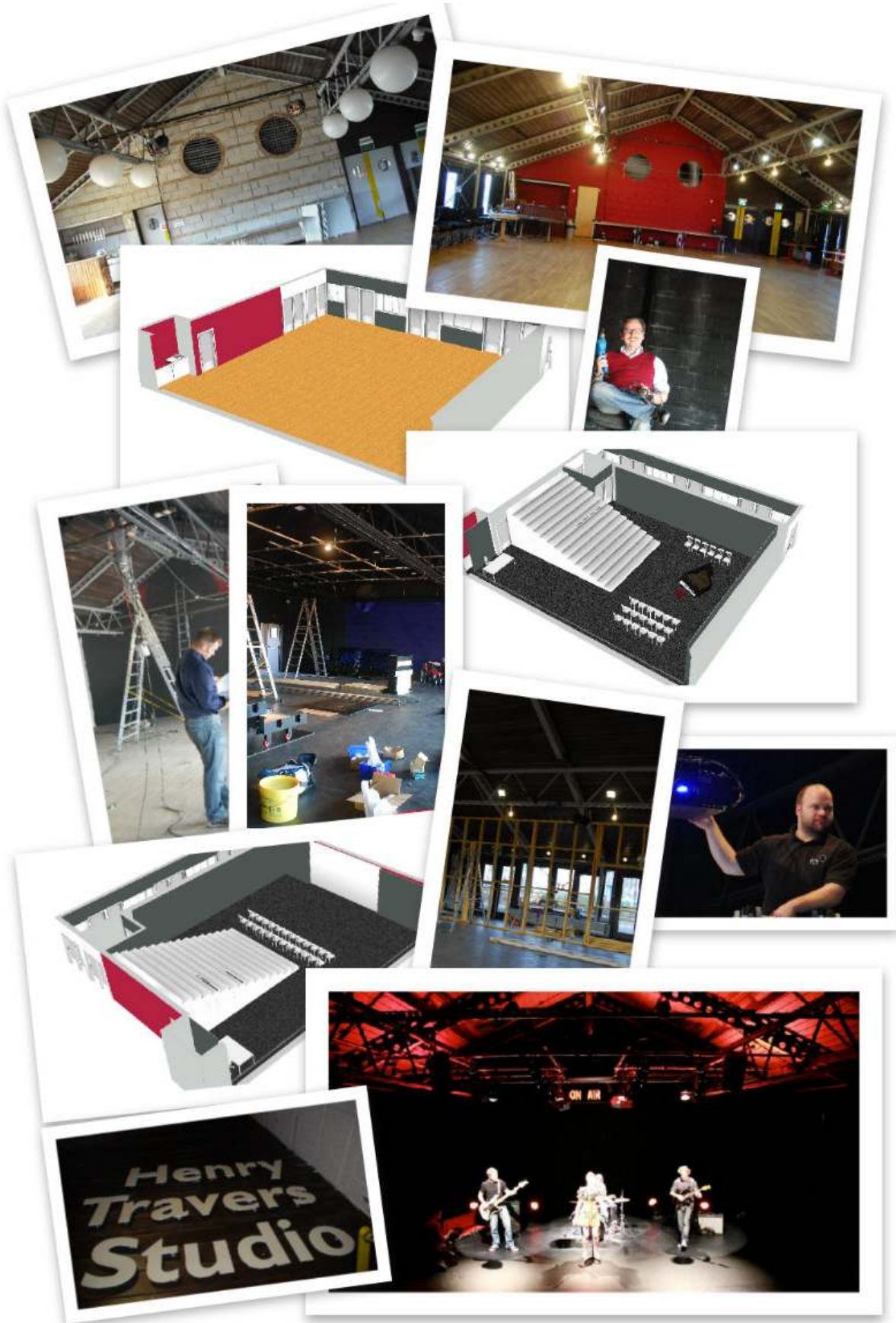
In March 2011 the former Main Hall in our building was transformed into a fully-equipped black box theatre and film studio with flexible retractable seating and all related facilities. Renamed the Henry Travers Studio, this space will become a vital asset for rehearsals, workshops, film screenings and live performances in the years to come.

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.

# THE REFURBISHMENT OF THE HENRY TRAVERS STUDIO, MARCH 2011

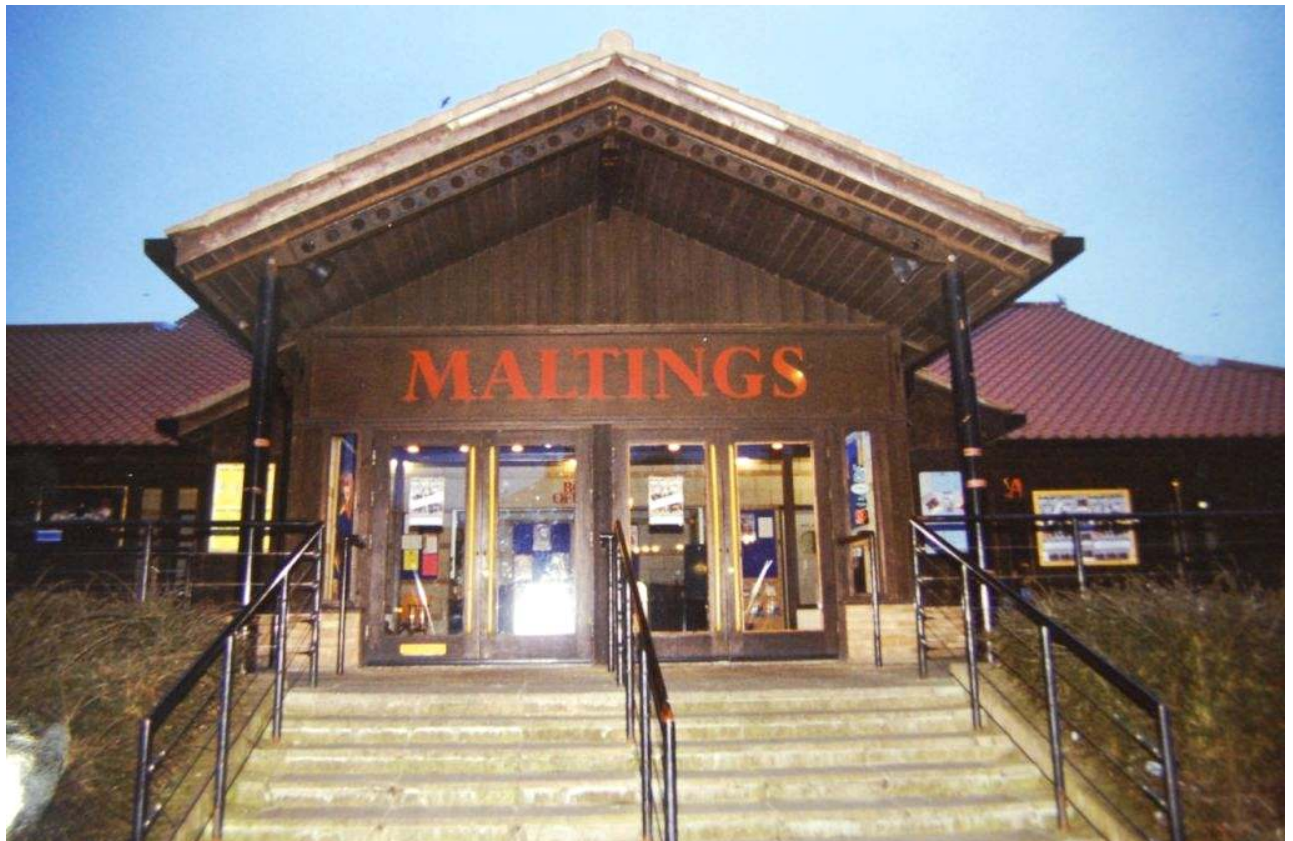




**CREATING A NEW, STATE-OF-THE-ART STUDIO THEATRE FOR BERWICK**



Figure 5: The main entrance to The Maltings, pictured following refurbishment in September 2010 above, and below, as it was in 1990.



# 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 2011. 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 2010-11, we offered the following public benefit-orientated schemes offering reduced or free tickets:

## THE MALTINGS WAS THE FIRST THEATRE IN BRITAIN TO OFFER FREE TICKETS TO MEMBERS OF THE UK ARMED FORCES

- **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 2011-12 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.



Figure 6(above and below:) Performances around the theatre by the Maltings Youth Dance Company 'Brief Encounters' as part of our twentieth anniversary celebrations in April 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.

Last year we said we would aim to continue our drama and dance programmes this year, and increase membership of The Maltings Youth Card to 1000 members.

### THIS YEAR

The Maltings Youth Theatre and Dance classes continued to provide 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. Around 100 young people attend these classes every week.

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 April 2010 The Maltings Youth Dance Company, ‘Brief Encounters’, presented a specially commissioned site-specific performance entitled *Around The Maltings In Eighty Minutes* to celebrate the theatre’s twentieth anniversary. The production, which took place in spaces throughout the theatre, featured vibrant and highly polished performances by dozens of young people and was extremely well attended.

In July 2010 The Maltings Junior Youth Theatre produced *The Wind In The Willows* in the Main House. This enjoyable family show included projected scenery – a new technique for the theatre which proved highly effective – and received extensive positive coverage in the local paper.

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 and Longridge Towers School, the *Dancing Daze* celebration of local young dancers, and the Rotary Musician of the Year competition.

After twenty years’ service, The Maltings head of youth drama Wendy Payn was awarded the title of Regional Youth Arts Champion by the English National Youth Arts Network (ENYAN) in October 2010. Since joining The Maltings in 1990 Wendy has changed the lives of literally hundreds of young people from the area, building their confidence and ensuring they have a terrific time on stage. Her appointment to this prestigious position made her colleagues very proud.

The Maltings Youth Card, which gives young people aged eighteen and under two-for-one tickets to almost all events, has now attracted 1297 members. 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, preparing for an enhancement of these programmes in 2012-13. We will continue to offer the Maltings Youth Card and will aim for a total of 1,500 members.

**1,297**  
**YOUNG PEOPLE**  
**AGED 18 AND**  
**UNDER HAVE**  
**NOW JOINED THE**  
**MALTINGS**  
**YOUTH CARD**  
**SCHEME**



Figure 7: *Rent: Opening Night Productions* in association with The Maltings Theatre, the Main House, November 2010.



Figure 8: *The Berwick Broadcasting Corporation*, an ongoing co-production with The Maltings Theatre, perform original live vintage radio plays every month.

## 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.

Last year, we said we would aim this year to continue this relationship with local companies, building on any refurbishment of the Henry Travers Studio. We also said we would aim to co-produce six productions with local companies.

### THIS YEAR

This year, 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:

Un-i-Song – *The Present* – October 2010  
 Berwick Operatic Society – *90 Years in the Footlights* – November 2010  
 Spittal Variety Group – *Cinderella* – January 2011  
 Berwick Emergency Services – *Dr Jekyll and Mr Hyde* – February 2011  
 Berwick Operatic Society – *Singin' In The Rain* – March 2011

We also aimed to co-produce six productions with local companies. In the course of the year The Maltings co-produced eight pieces of theatre – four non-professional, four professional – with local producers and companies, on productions in the Main House and the Penny Lodging House. The non-professional co-productions were:

Berwick Broadcasting Corporation – monthly live radio shows – Studio – monthly  
 Brass Bastion - *Figures Half Unreal* – Penny Lodging House – August 2010  
 Bromwich & Walker - *Dancing Borders* – Berwick Barracks and Windmill Bastion – August 2010  
 Opening Night Productions – *Rent* – Main House - November 2010

In addition, The Maltings with support from Northumberland County Council produced a mid-scale outdoor one-day festival, The Great Berwick Sideshow, which tested how best to use the open air spaces on Berwick Ramparts, particularly the Elizabethan gun-pits at Windmill Bastion.

The Berwick Broadcasting Corporation, which presents live vintage radio plays using either original or adapted scripts, have continued to present monthly shows for free in the Travers Studio. These have been so well attended that the company has had to move permanently from their home in the Stage Door Bar to the much larger studio space. Robert Wilkinson has now taken over as Artistic Director of the company.

### NEXT YEAR

With the completion of the upgrading of the Travers Studio, The Maltings will next year provide a much improved hub for community and amateur groups. We will aim to co-produce six productions in partnership with local producers/companies, of which at least three will take place in the Travers Studio.



## 5.4 PROFESSIONAL PROGRAMMING

### OVERVIEW

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

As the only regular presenter of professional programming in the region, it is of vital importance that the quality of the professional work we present is high and 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 recently opened Travers Studio also offers a venue for more intimate or experimental performance.

This year, we aimed to programme at least 160 professional live performances in the year; to work with the National Theatre of Scotland; to programme more contemporary and classical dance; to programme other spaces more heavily; and to acquire a licence to use the semi-derelict Georgian office building opposite the theatre, The Penny Lodging House.

### THIS YEAR

We aimed to increase the amount of our programming; to increase programming variety, quality and 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 incoming professional touring work.

**WE PRESENTED  
238 LIVE  
PERFORMANCES  
THIS YEAR, UP  
FROM 181  
PERFORMANCES  
LAST YEAR**

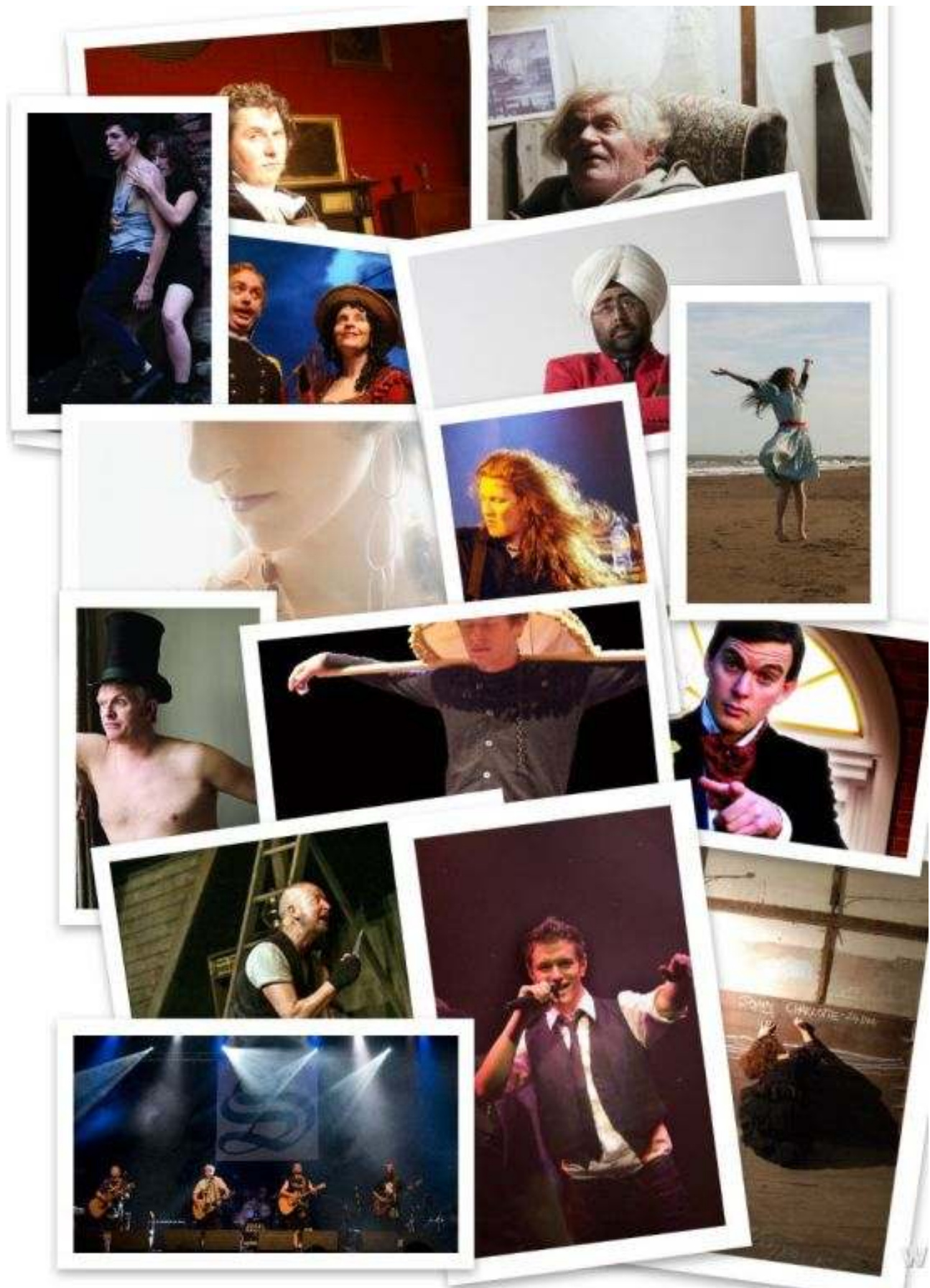
Overall, we significantly increased the number of live performances programmed in the year from 181 live performances last year to 238 this year.

We also exceeded our target for professional live performances, presenting 173 professional live performances in the course of the year - thirteen more than our target.

We aimed to increase the amount and quality of our professional comedy programme. The Maltings has gained a strong national reputation as a high-quality comedy venue and this reputation was further enhanced this year. We presented performances by comedians with a strong national profile, including Jason Manford, Katy Brand, Stuart Francis, Reginald D. Hunter, Pete Firman, Rich Hall, Greg Davies and Julian Clary. Our comedy programme in the Main House was extremely well attended.

In August 2010 we proudly opened The Penny Lodging House as a new venue for site-specific/immersive theatre. The Penny Lodging House is a large, semi-derelict georgian office block situated on Eastern Lane, opposite the theatre. After negotiations with the owners of the building we completed minor construction works to make the space safe and opened the venue with a specially commissioned production centred around the life and work of painter L S Lowry, entitled *Figures Half Unreal*.

The quality and quantity of our professional dance programme was also enhanced through the year with performances by Scottish Ballet and Transitions Dance Company. We worked with our Associate Dance Company Mobius Dance Theatre on a site-specific co-production in the Penny Lodging House, *If Walls Could Talk*; a powerful and eerie dance piece which many audience members thought was the highlight of our dance programme for the year. Mobius also returned to our main house with a further production of *Such Is Life*, their signature dance piece.



Berwick has a strong local music scene which has been reflected in numerous local band nights in the studio throughout the year. We are excited about the difference the studio upgrade will make to our local band programming. Our professional music programme saw outstanding performances from Lau, Showaddywaddy, Aly Bain, Ale Moller & Bruce Moskly, the Southern Tenant Folk Union, Scocha, the Sarah Ellen Hughes Jazz Quartet, Rachel Harrington and Donnie Munro and his band.

We have consolidated The Maltings' excellent reputation for high-quality drama through the course of the year, becoming - in the words of the Northumberland Venue Study - '...a centre of excellence for professional and non-professional theatre.'

We aimed to work with The National Theatre of Scotland and after much negotiation secured three performances of *The Strange Undoing of Prudencia Hart*, an outstanding piece of site-specific theatre which was performed in The Stage Door Bar in February 2011.

Audiences for our drama programme have grown considerably, and we presented performances by Hull Truck Theatre, Northumberland Theatre Company, Trestle Theatre Company, Opera Della Luna, The Fitzrovia Radio Hour, London Classic Theatre, Useful Donkey Productions, and RabbitDamage (our joint associate company with ARC Stockton and the Theatre Royal Newcastle).

We also presented performances of *Morecambe*, *Chekhov's Shorts*, *Urashima Taro*, *The Importance of Being Oscar*, *Little Leap Forward*, *Hamlet*, and presented three performances of *The Comedy of Errors* by Shakespeare's Globe Touring on their first visit to Berwick.

Our second Festival of the Spoken Word in May 2010 was headlined by well-known poet Simon Armitage and also featured our spoken mic night and our schools poetry competition. However, attendances remain relatively low for this type of event and we will have to consider whether we can afford to continue with our Spoken Word festival next year without additional project funding.

We co-produced three professional productions in the course of the year, in addition to our co-production of *If Walls Could Talk* in the Penny Lodging House. With Mickleburgh Productions we co-produced the studio piece *Darcy's Dilemma*, which subsequently toured to the Edinburgh Festival Fringe, and in December we co-produced our first professional pantomime for many years, *Aladdin*, working with Little Wolf Entertainment. *Aladdin* ran for twenty-four performances in the main house, breaking box office records with a stunning and extremely enjoyable show which was rehearsed in our studio. We look forward to working with Little Wolf on next year's pantomime, *Sleeping Beauty*.

The Maltings is well-known now for our hospitality towards visiting artists, including giving a card to all visiting artists signed by our whole team. At the end of the year we refurbished our Green Room and dressing rooms to create a warm and welcoming space for visiting artists to relax and prepare.

We will seek to grow our drama audience further by presenting at least five runs of drama excluding our pantomime; we will programme our new studio space with at least 15 professional productions through the year; we will continue to co-produce a seasonal pantomime; we will continue to programme The Penny Lodging House; and we will work towards mounting a major touring co-production in 2013.

**WE HAVE  
COMMENCED A  
NEW  
PARTNERSHIP  
WITH THE  
NATIONAL  
THEATRE OF  
SCOTLAND TO  
PRESENT THEIR  
WORK IN  
BERWICK**

**NEXT YEAR**

## FILM TICKETS SOLD & FILM INCOME

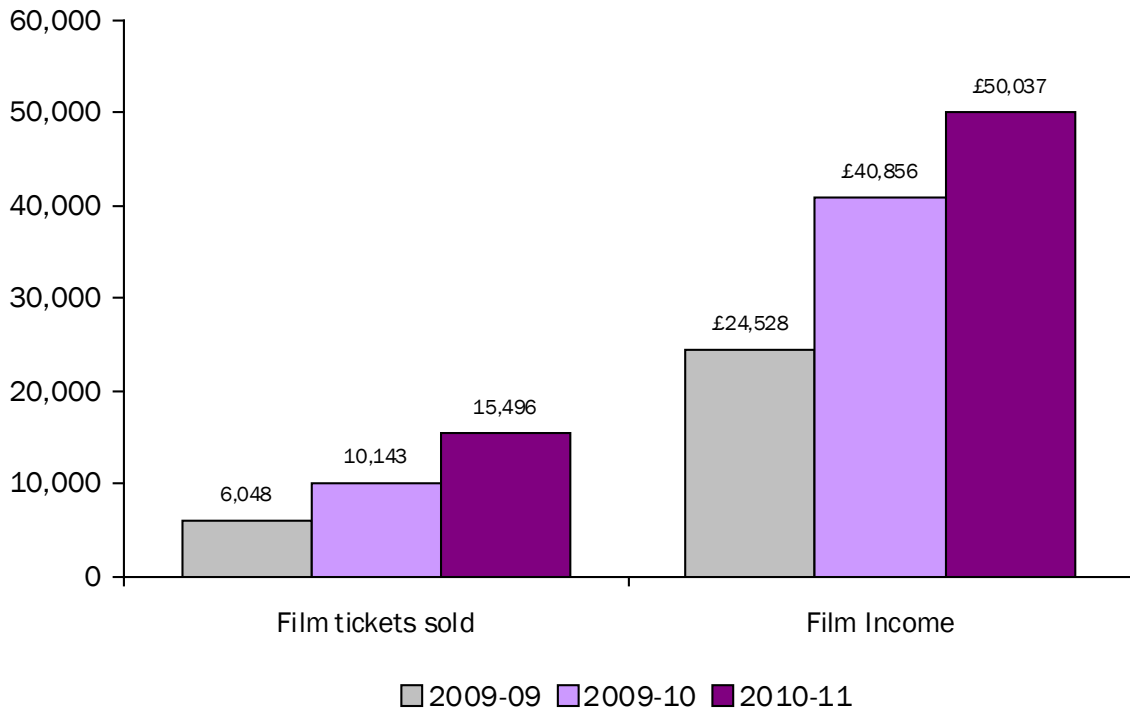


Figure 9: Visiting film-makers at the 2010 Berwick Film and Media Arts Festival.



## 5.5 FILM

### OVERVIEW

The provision for film offered by The Maltings – as the sole cinema provider in the town – has continued to increase this year.

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.

Last year, we stated our objectives to 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 that we offer to our community.

### THIS YEAR

The Maltings has now become the leading independent cinema in the region, on a par with the independent cinemas of Newcastle and Edinburgh.

The number of cinema screenings increased from 186 last year to 318 this year, an increase of 71%, and the value of cinema tickets sold rose from £40,856 last year to £50,037 this year.

**WITH  
318 FILM  
SCREENINGS  
THIS YEAR,  
WE ARE NOW  
ONE OF THE  
NORTH-EAST’S  
LEADING  
INDEPENDENT  
CINEMAS**

We aimed this year to consider our branding to ensure we communicate our strong cinema offering clearly to our community. As a result of consultations, in the middle of the year we changed our name from The Maltings Theatre & Arts Centre to The Maltings Theatre & Cinema, to better reflect our operations. This change has been extremely successful and welcomed by our community. There is once again a cinema in Berwick-upon-Tweed.

We also installed a popcorn machine in our foyer to give our audiences the ‘essential’ ingredient for any successful night out at the cinema. This machine has proved very popular, particularly amongst younger cinema-goers – although we know that our hard-working cleaners are less enthusiastic!

This year we continued to host the film screenings of the Berwick Film Society, and we also continued hosting fundraising film nights for local charities throughout the year. The Maltings continues to be the base for the Berwick Film and Media Arts Festival, which we hosted in September 2010, and we continue to be represented on the Board of the festival.

### NEXT YEAR

The refurbishment of the Henry Travers Studio to allow for the digital projection of films on DVD or other media will play a major part in our film strategy next year.

We aim to introduce weekly screenings in the studio; increase the number of cinema screenings in all spaces to 350; increase film ticket sales to 18,000 from the 15,496 tickets sold this year; and hold our standard film ticket price at £5 while continuing to offer two-for-one discounts through the Maltings Youth Card scheme.



Figure 10: This beautiful 1940's film projector was salvaged by Maltings' staff from the Berwick Playhouse shortly before demolition. It is now on permanent display on our main stairwell.

## 5.6 VISUAL ARTS

### OVERVIEW

The Alexander Knox gallery and the 'Red Walls' gallery were the two main visual arts gallery spaces at The Maltings, both of which are located on our main staircase. Last year we noted that our existing gallery spaces are not brilliant. They are situated on stairwells, and are poorly lit. There is little hanging space. We also noted that our limited resources and lack of funding for visual arts, combined with the voluntary nature of the curator post, would mean that our ability to mount exhibitions this year would be limited.

However, we aimed to continue to work with local amateur groups on exhibitions, and to explore alternative ways of presenting art in our building.

### THIS YEAR

Our year started with a major exhibition produced in-house charting twenty years of The Maltings seen through press-clippings. *Dear Sir...* ran on our main stairwell for three months, with over four hundred press clippings in the exhibition. As part of the process of making the exhibition, nearly seven hundred press clippings were digitized – and these remain available in an online exhibition hosted at the online image sharing site Flickr. This honest 'warts and all' exhibition charted the sometimes rocky history of The Maltings, including the financial crises of the turn of the century, and stimulated much passionate debate amongst our audiences.

We hosted Berwick Art Group's annual exhibition in the pre-refurbishment Studio, and we also provided other organisations with hanging space for small exhibitions through the year.

As we expected at the end of last year, it was not possible for our volunteer curator of exhibition spaces Samantha Cary to continue in her post as funding was not forthcoming to sustain the position. However, we remain extremely grateful to Samantha for all her hard work which resulted in so many excellent exhibitions.

With the departure of Samantha, we reconsidered how best to use our stairwell spaces, and made a decision to end the use of our stairwells as temporary exhibition spaces, noting that the new Granary gallery would open in Berwick in March 2011, providing additional capacity within the town. Our stairwells are now permanently used for the display of past show posters and photographs of historic performances at The Maltings.

In late 2010, the Berwick Playhouse – the town's former cinema, which closed in 2005 – was demolished. Before demolition we sought and received permission to remove any items of interest, including a large 1940s projector unit which now stands on our main stairwell.

However, the refurbishment of the Henry Travers Studio has created a new area for exhibitions which has been available since April 2011. A large, bright corridor has been created alongside the studio, linking our box office area with the stage and dressing rooms, and forming an excellent location for temporary exhibitions.

### NEXT YEAR

As a result of the announcement that English Heritage would cease funding the Gymnasium Gallery and Fellowship programme from December 2011, The Maltings included the management of these schemes in our successful application to Arts Council England to become one of their new National Portfolio of funded organisations. While negotiations are ongoing, we hope that after a planning year in 2011-12, from April 2012 The Maltings will have a far wider and deeper involvement in visual arts throughout the town and region.



Figure 11: Above: The cast and crew of Cinderella: Spittal Variety Group, the main house theatre, January 2011.



Figure 12: Christmas music with the Berwick Community Choir in the Henry Travers Studio pre-refurbishment, December 2010.

## 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.

**OUR  
VOLUNTEERS  
WORKED AN  
AVERAGE OF  
232 HOURS  
EACH WEEK,  
WITH A TOTAL  
VALUE OF  
£29,834 IN  
DONATED  
SERVICES**

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 our community projects and outreach work, including our Corporate Patrons, Greaves West & Ayre, as well as PFL Audio Ltd., the Berwick Community Trust and the town council.

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

### THIS YEAR

This year our volunteers contributed an amazing 232 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 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.

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, some of whom have gone on to successful professional careers.

The Maltings continued this year to provide 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.



Figure 13: The Maltings hosted the launch party for the launch of the new lighting system for the Royal Border Bridge in December 2010. Tim Kirton of Northumberland County Council is pictured with two of the entertainers for the event.

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

Local groups who regularly used The Maltings this year included:

**WE ARE  
REGULARLY  
USED BY OVER  
THIRTY LOCAL  
GROUPS FOR  
THEIR ACTIVITIES**

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  
Mickleburgh Productions  
Northumberland County Council  
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.

We achieved our aim of continuing to offer heavily discounted conference hire rates for community groups, as well as building our volunteer base in line with the increasing demands of our programme. Seeking to introduce a more visible form of identification for our stewards, we consulted with them about what kind of uniform or identification they would like. The overwhelming response was for sashes, so we commissioned a local tailor to make eight beautiful red sashes which are now worn by our stewards.

#### NEXT YEAR

With the increase in programming of the Henry Travers Studio, it will become even more important for us to continue to work closely with our volunteers in order to deliver our programmed events.

The new Travers Studio will also greatly enhance the facilities available to community groups for rehearsals, workshops, performances and meetings. We aim to encourage the use of the studio by as many groups as possible, increasing the number of volunteer hours worked and allowing greater access to our facilities for all of our community.

## 5.8 MARKETING AND AUDIENCE DEVELOPMENT

### OVERVIEW

We regard marketing and audience development as being crucially 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, we aimed 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%.

### THIS YEAR

Our marketing department, led by Marketing and Development Manager Tamiko Mackie, has gone from strength to strength. This success is reflected in total ticket sales – up a superb 44% year on year. In addition to our usual marketing activities, we successfully sought funding from the Community Foundation Tyne & Wear and the North East England Investment Centre to redesign our outdated website. This major process was undertaken in Summer 2010 and we appointed Duke of Northumberland as our design team.

Our new website was launched in early Autumn, and we are delighted with the results. Previously, any website changes had to be emailed individually to our webmaster. The new website has an extensive 'back-office' functionality which allows us to create and edit individual event pages, as well as selling tickets online; uploading images and videos; a blog; a news article function; links to our Facebook and Twitter accounts; a downloads page; extensive new information on our facilities and services; the ability to rate and share events; and a handsome new design. We receive around 1,700 unique visitors to our site every week. Regrettably, statistics for weekly visits to our old website are unavailable.

We continue to embrace the marketing opportunities available through social networking. We aimed to increase our followers on Twitter from 238 to 260, and by the end of the year we recorded 541 followers, double our target.

It was The Maltings Facebook presence, however, which proved to be the success story of the year. Thanks to the hard work put in by our Theatre Intern Cameron Cheek, The Maltings increased our Facebook friends from 291 to a staggering 2,551 – far in excess of our modest target of 330 friends! Most of these friends live locally, and we offer daily status updates, competitions, videos and special offers through our Facebook pages.

Last year, 2,257 people joined our customer database at The Maltings. This year, 2,572 people joined our database, exceeding our target. This good increase (14%) is a result of the continuing strength of our programme and marketing campaigns. However, this high rate of additions cannot continue at this pace. We expect the numbers of customers joining our database to drop next year as we reach capacity.

Last year, our average attendance by ticket-buyers (not unique audience members) was 2.18 visits per year. This year, average visits increased to 2.19 – 11,754 visits by 5,380 ticket-buyers. This compares favourably with national averages. We also increased our Shop Front Partnership membership to 370.

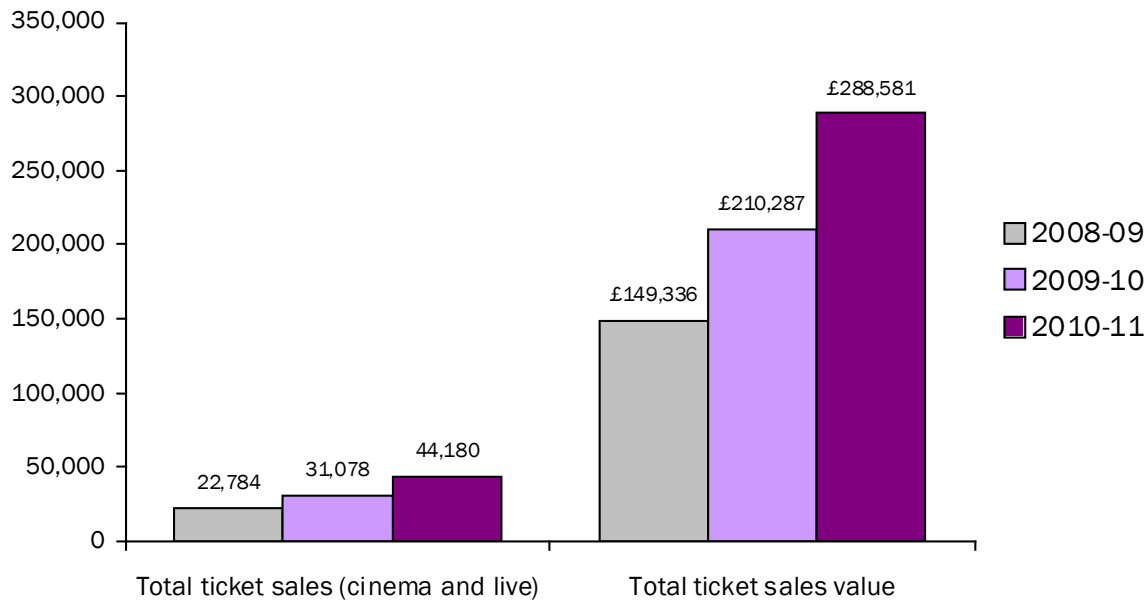
### NEXT YEAR

Next year, we want to increase our followers on Twitter to 700; reach 3,000 friends on Facebook; and add 1,500 new ticket-buyers to our database.

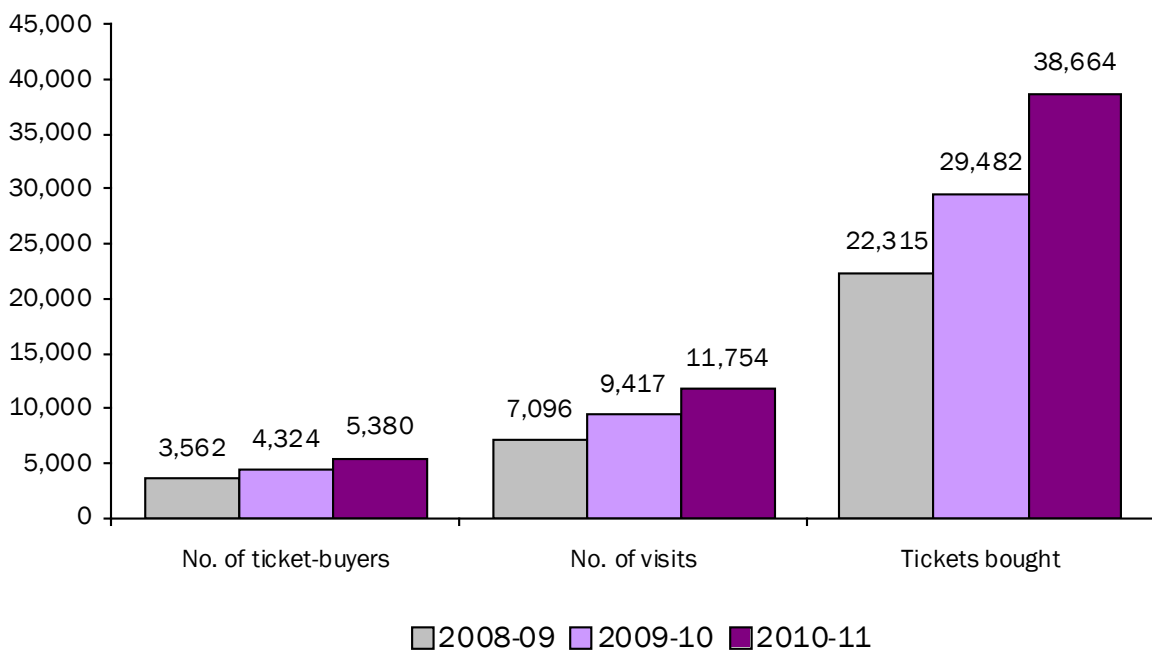
**THE MALTINGS  
NOW HAS OVER  
2,500 FRIENDS  
ON SOCIAL  
NETWORKING  
SITE FACEBOOK**



## TOTAL TICKET SALES AND TICKET SALES VALUE



## TICKET-BUYERS, VISITS, TICKETS BOUGHT



*Note: Ticket-buyers refers only to the named person on our database who purchases tickets in a transaction. Only around 75% of our transactions are linked by the cashier to a named person. 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.*

## 5.9 BAR AND ANCILLARY INCOME

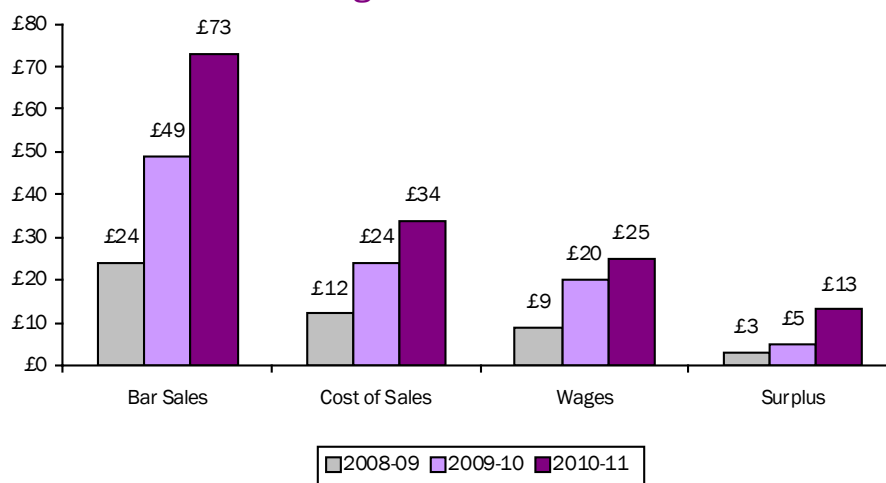
### OVERVIEW

The revenue we generate from our ancillary trading is of vital importance to us. This includes revenues from the fully-licenced 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, we aimed 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.

### STAGE DOOR BAR TRADING

All £ figures in thousands



### THIS YEAR

The Stage Door Bar is of critical importance to our operations. Under the management of our full-time Bar Manager David Purves, it not only provides a service to theatre-goers, offering a wide range of drinks and the largest selection of specialist filter coffees in the town, but it now acts as the social focus for the theatre and its community. Readthroughs, actors' meetings, social evenings for local theatre groups, jazz and theatre performances – the Stage Door Bar is used by a wide variety of customers extending far beyond the normal 'ticket and a drink'.

We've invested modestly in the décor of the bar this year, including working with volunteer Neil Thompson – a highly experienced local joiner – who very generously donated his services to construct a new raised area in the bar. This new 'stage-like' construction provides an extra four seats on busy nights, as well as serving for a stage for many events.

The success of our changes to our bar are evident. After increasing by 102% last year, our bar turnover increased by a further 48% this year, from £49,246 to £72,636, significantly in excess of our £60,000 target.

As a result of pricing and product changes, the bar trading surplus increased by 139% from £5,455 to £13,050. We have taken steps to increase the surplus

## THE SURPLUS FROM OUR STAGE DOOR BAR INCREASED BY 139% THIS YEAR

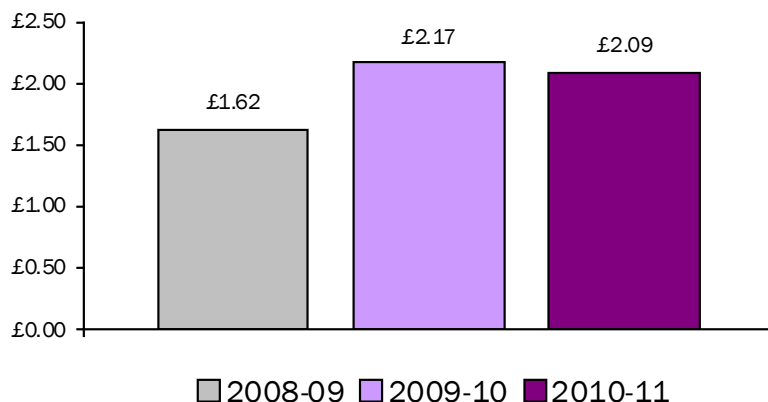


Figure 14: Aladdin (Jamie Birkett) and Wishee-Washee (Alan Bowles) in Aladdin, co-produced by The Maltings in association with Little Wolf Entertainment, December 2010

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 £2.17. This year however, it has fallen slightly to £2.09. This is due to a range of factors, principally the increased quantity of tickets sold. We are not at this stage concerned by this decline, although if it continues next year we will revisit our ancillary sales strategy.

## SECONDARY SPEND PER TICKET BOUGHT



Our confectionery sales for the year increased 17% from £15,991 to £18,732, with our surplus increasing 30% from £5,503 to £7,148. Part of this increase is due to a repricing of our stock – but the principal mover has been confectionery sales for our co-produced pantomime in December.

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 by TripAdvisor.com, and attracts some 30,000 visits a year.

Sales for our theatre shop have declined this year by around £1200 in the course of the year. This will need to be addressed in the coming year. We will need to consider our stock range and ensure that we are well-stocked and well presented.

The Friends of the Maltings scheme continues to thrive, and has attracted 441 members since it opened in 2009. This year, we earned revenue of £6,113 from membership subscriptions, up 44% from the £4,242 we earned last year. 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

Revenue from our ancillary sales will remain 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 £85,000; increase sales from our theatre shop to £1,500; maintain confectionery sales at their current level; rent out more space in our building to other arts organisations; commence a charity lottery scheme working with a national partner; increase secondary spend per ticket to £2.20; and increase friends membership income to £6,500. We will also continue to offer advertising in both our seasonal brochures and on our cinema screen.



Figure 15: The team at The Maltings Theatre & Cinema.



Figure 16: Two of our volunteer stewards with Deputy Front of House Manager & Head of Youth Drama Wendy Payn.

## 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 aim for best practice as an employer, we conduct 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.

This year we said farewell to Neil Forrest, our Technical Manager, who had served as a technician since 2002 before being promoted to Technical Manager in 2009. Neil oversaw a huge increase in live programming during his tenure, and conducted much of the planning for the refurbishment of the Studio. Neil's replacement was Mark Hicks-Watkins, a highly experienced Technical Manager who joined us in February 2011. Regrettably, due to personal circumstances, Mark left us in March after only a few weeks in post.

Our new Technical Manager, Steven Percy, joined us in March and was immediately thrown into the difficult task of overseeing the refurbishment of the Studio – which was completed on time and on budget by 31 March, thanks to much hard work on Steven's part.

We also said goodbye to our dedicated Friends of The Maltings volunteer administrator Naila Laundry in September. Naila had administered our Friends scheme since 2009, and we are grateful to her for her service.

As part of the Future Jobs Fund, we were joined for six months by Jack Calvert as Marketing Assistant. Jack worked extremely hard in his post, setting up valuable systems and templates as well as designing much of the publicity material that we continue to use. We wish Jack all the best for the future.

As ever we would like to thank our many volunteer ushers, as well as the numerous people – Michael Richardson, Neil Thompson, 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. We are also extremely grateful to the members of our Board: Maurice Ward, Hugo Hughes, Jim Smith, William McDougal-Ingليس, Russell Sandbach, Lydia Lee and Jenny Pollock, who have dedicated so much time and effort to The Maltings over the year.

### NEXT YEAR

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

This has been another excellent year for The Maltings, continuing the unprecedented growth of the last two years.

Last year, against a national backdrop of austerity and funding reductions, The Maltings Total Incoming Resources exceeded half a million pounds for the first time in our history.

This year, while our core funding has reduced, the theatre's Total Incoming Resources exceeded £700,000.

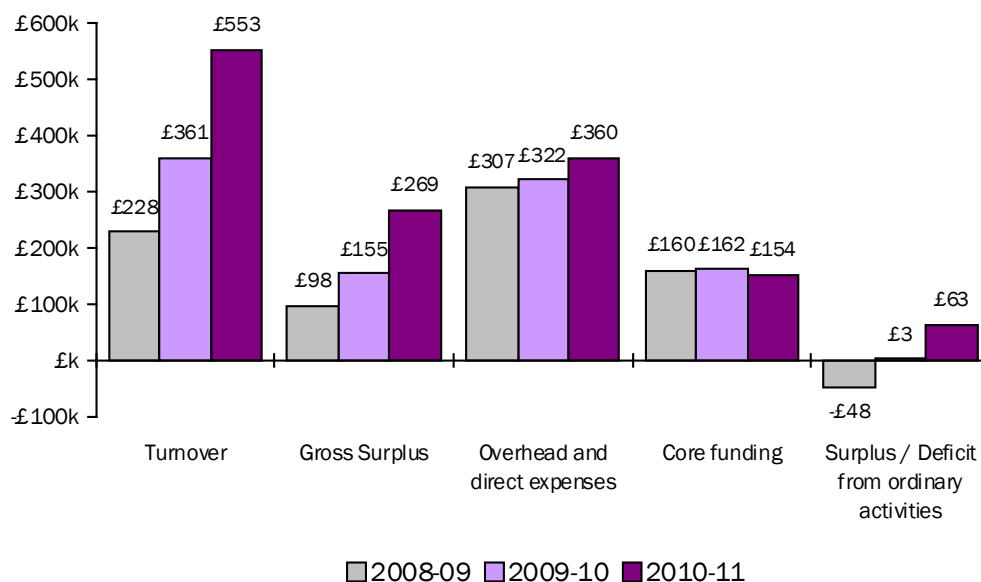
This incredible turnaround has been achieved despite reductions in funding which three years ago would have resulted in our closure.

Our core funding from Northumberland County Council was reduced by 7.5% this year, from £117,280 to £108,480. We expect this to be further reduced by 5% next year to £103,060. To put this level of funding into context, in 1990 The Maltings received £100,000 in core funding from our local authority.

Arts Council England funding increased from £44,298 last year to £45,267 this year. Next year, this will be reduced to £42,143.

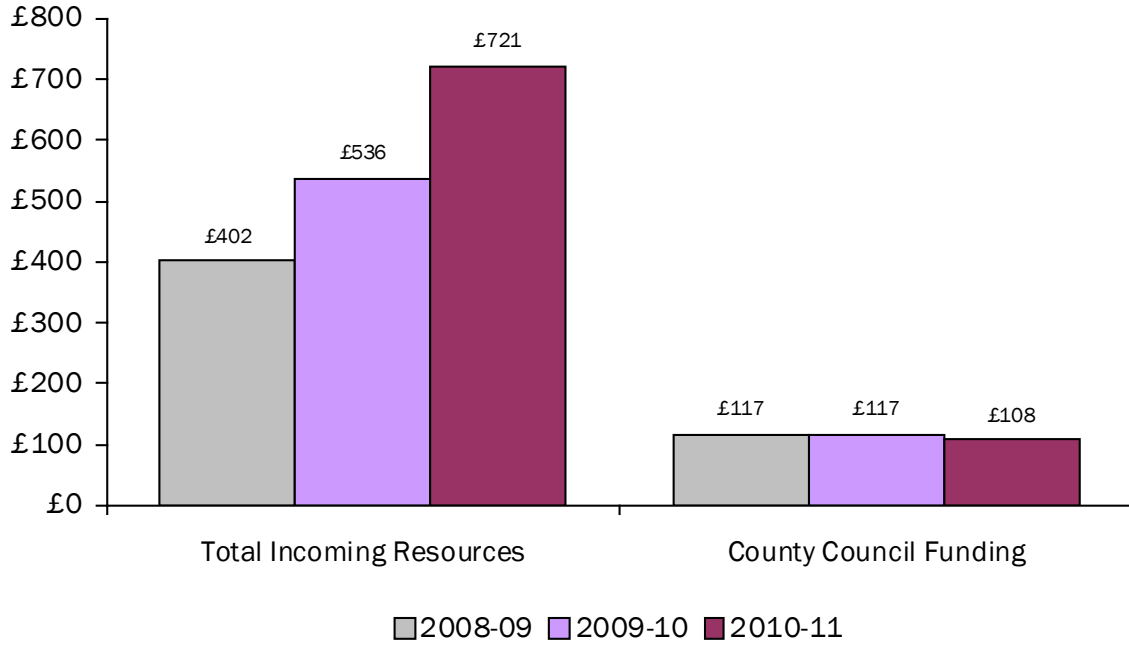
### GENERAL INCOME & EXPENDITURE ACCOUNT

All £ figures in thousands

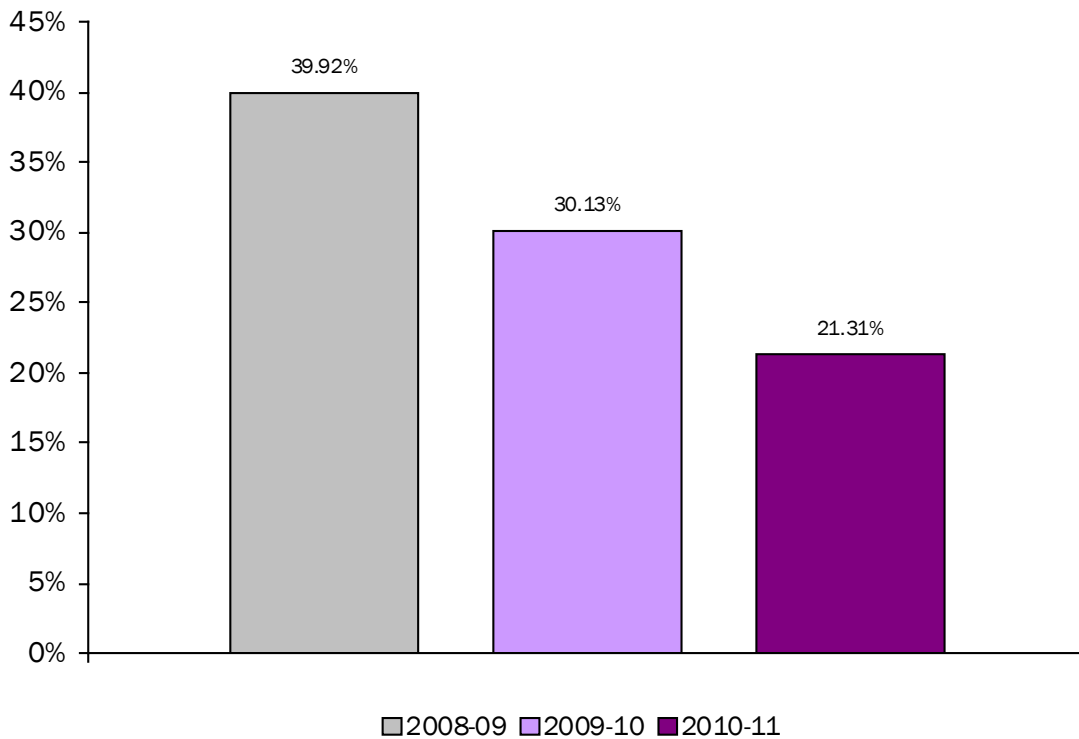


Despite reductions in funding over the last three years, The Maltings has thrived. It is appropriate that the main driver in our outstanding financial performance this year has been our charitable activities, supported by donations to create a new theatre in our building – The Henry Travers Studio.

**TOTAL INCOMING RESOURCES  
VS COUNTY COUNCIL FUNDING**  
All £ figures in thousands



**CORE FUNDING AS %  
OF TOTAL INCOMING RESOURCES**





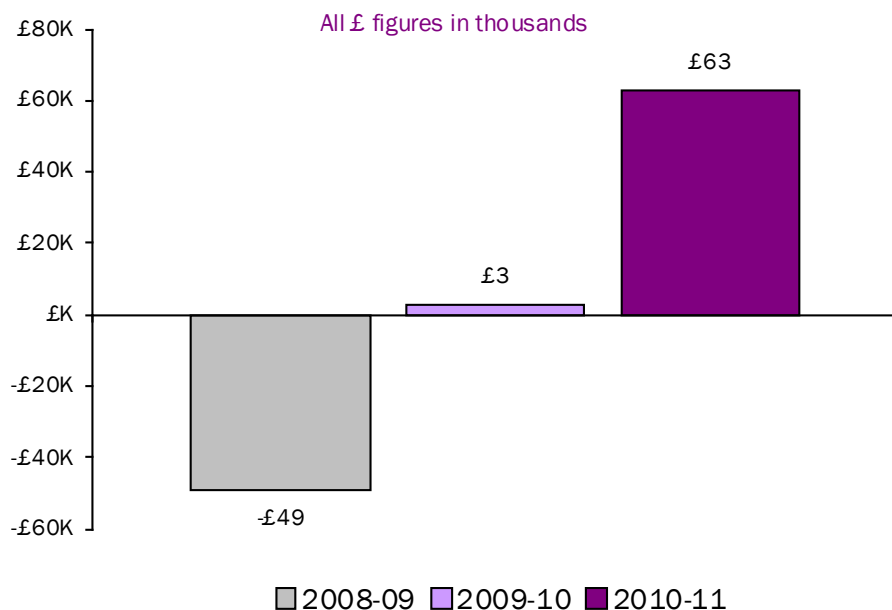
## THIS YEAR

In the course of 2010-11, phase 2 of the strategic plan drawn up in 2008 has been fully implemented.

Our earned income (total income excluding state funding), has increased by 53% this year, and 179% since 2008, growing from £198,540 in 2007-08 to £553,317 this year. Our earned income this year is greater than our total incoming resources last year.

The Gross Surplus on our earned income (the surplus remaining before core funding is added and Overheads and Direct Expenses are deducted) increased by 74% from £154,645 last year to £268,804 this year.

### OPERATIONAL SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES



Year-on-year, live programme income (box office revenue) has increased by 40%; film income excluding VAT has increased by 58%; confectionery sales have increased by 17%; and our bar surplus has increased by an impressive 126%.

Thanks to our successes this year, the percentage of our Total Incoming Resources (shown on the Statement of Financial Activities) represented by regular public funding has now dropped from 48% in 2008 to 21% this year (national average: 52%).<sup>1</sup> Reducing our dependency on public funding is of critical importance to our short-term future, and we have made further significant progress this year.

Our Balance Sheet position has also improved significantly from the net deficit of £6,011 posted last year, with our bottom line standing at £53,247. However, it must be noted that this Balance Sheet improvement – and our substantial positive net movement in funds – are largely due to the significant donation received from Northumberland County Council via the European LEADER Coast and Lowlands programme towards the creation of the Henry Travers Studio. Our day-to-day trading position remains tight and we continue to hold a bare

<sup>1</sup> Arts Centres Research, Arts Council England, 2006

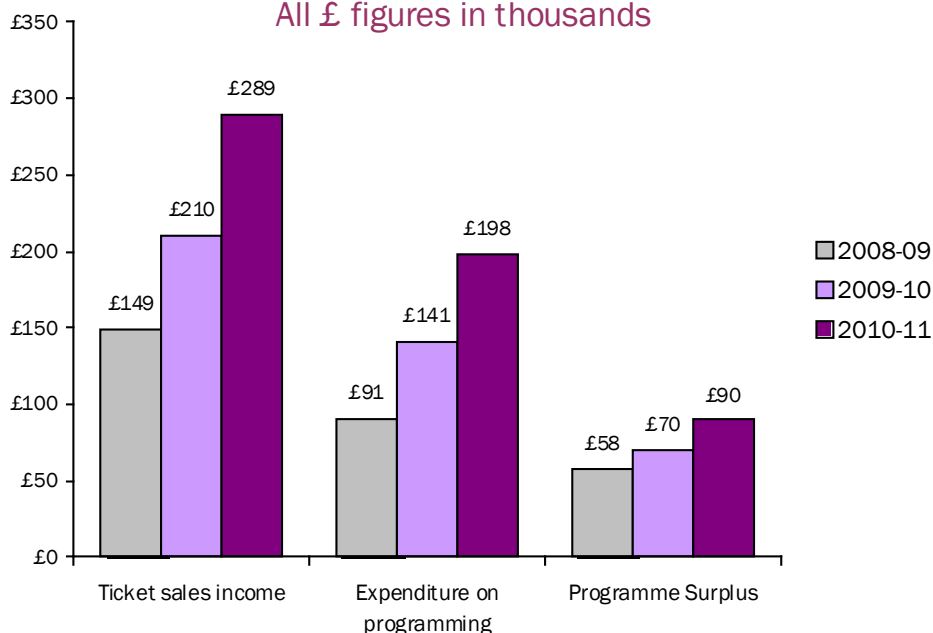
minimum of cash in hand. If our funding is reduced significantly we remain at risk of closure next year.

**NEXT YEAR**

Our financial results this year are not necessarily an indication of a successful year next year. Our funding is to be further cut in 2011-12, and as the recession bites deeper into household discretionary spending, we may see box office revenues plateau. It is unlikely that our turnover will remain at this year's level next year and it also seems likely that without the donations received for the Henry Travers Studio this year that we will record a break-even position next year at best.

**PROGRAMME INCOME & EXPENDITURE ACCOUNT**  
(Including live and cinema programming only)

All £ figures in thousands



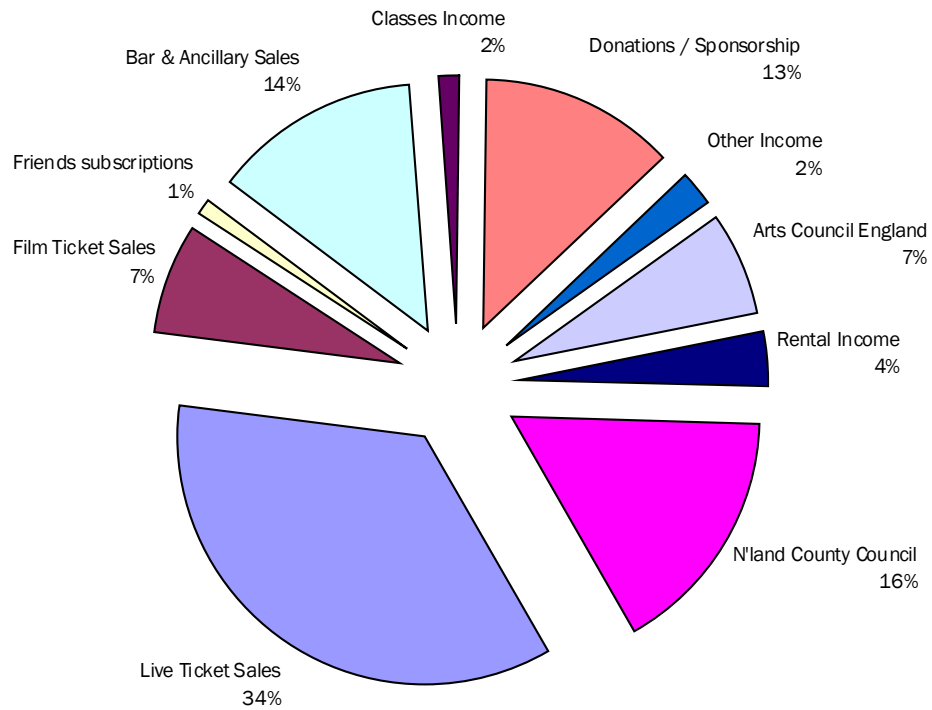
However, 2011-12 marks the last year under the current funding regimes, and while our income next year may track below this year's results, the 2012-13 financial year will see a sea-change in the scale and nature of our organisation.

As a result of The Maltings successful application on 31 March 2011 to become an Arts Council National Portfolio Organisation, our Arts Council funding will increase for the 2012-13 financial year by 316% from £42,143 to £175,200.

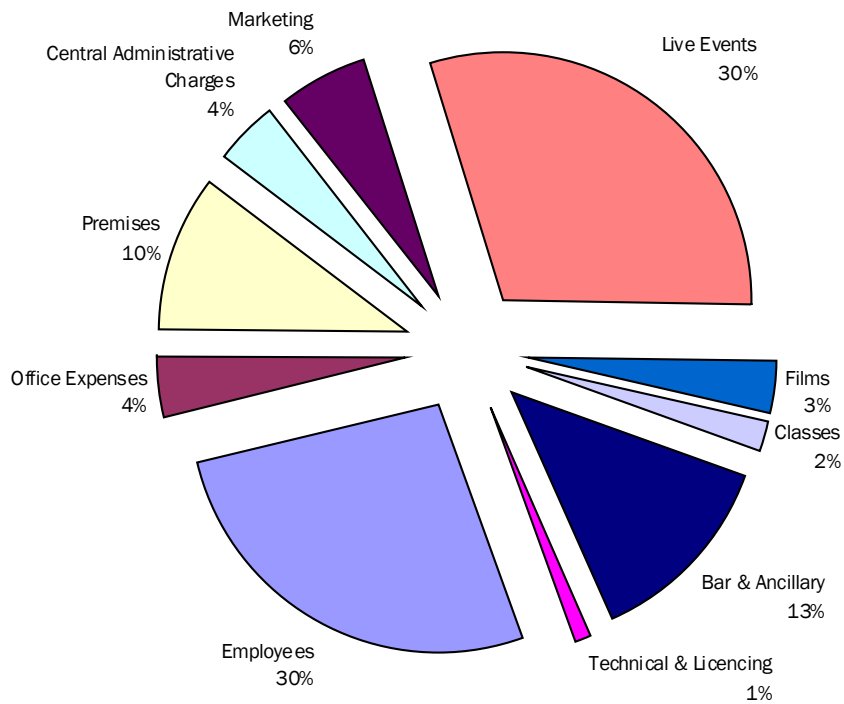
In 2013-14 this will rise to £179,405, and in 2014-15 our Arts Council funding will rise again to £184,069. This huge increase in our funding – a major vote of confidence in our organisation on the part of Arts Council England - will have a significant impact on our organisation's capacity to serve our community.

Our short-term future is not assured, particularly if cuts to our local authority grant funding are made without consultation and at unsustainable levels. Our tight day-to-day trading this 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 any storms next year before we emerge into the bright future of 2012-13.

## INCOME, 2010-11



## EXPENDITURE, 2010-11



## 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 2010-11

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)  
Nick Davidson (Elected May 2011)  
Hugo Hughes  
Lydia Lee  
Jenny Pollock  
William McDougal-Ingليس  
Russell Sandbach (Retired July 2011)  
Councillor J. E. Smith (Retired June 2010)

#### 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 12<sup>th</sup> October 2010.

## 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.

## 7.4 TRUSTEES

The maximum number of trustees is unlimited. At each annual general meeting one third of elected trustees who have been longest in office are required to retire. A retiring elected trustee shall be eligible for re-election. After six years of continuous service a trustee must retire and is not 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 2011 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 32% of total incoming resources as at 31<sup>st</sup> March 2010 to 21% of total incoming resources as at 31<sup>st</sup> March 2011. 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

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 2010-11 produced a return of £10 from interest received on deposit accounts (2009-10: £11). 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 £10,600.

## 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: 20 September 2011

## 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 2011, 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 2011 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**

21 September 2011

## THE MALTINGS (BERWICK) TRUST BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2011

2009-2010			2010-2011	
£	£		£	£
		<b>FIXED ASSETS</b>		
	63,066	Tangible Assets	2	155,952
		<b>CURRENT ASSETS</b>		
5,038		Stocks		3,573
14,917		Debtors and Prepayments	3	27,870
36,705		Cash at bank and in hand		13,644
<u>56,660</u>				<u>45,087</u>
		<b>CURRENT LIABILITIES</b>		
88,471		Creditors - Amounts falling due within one year	4	100,060
37,266		Prepaid Income	5	47,732
<u>125,737</u>				<u>147,792</u>
	<u>(69,077)</u>	<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<u>(102,705)</u>
	(6,011)	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		53,247
	<u>-</u>	<b>PROVISION FOR LIABILITIES AND CHARGES</b>	6	<u>-</u>
	<u><u>(6,011)</u></u>	<b>NET (LIABILITIES) / ASSETS</b>	7	<u><u>53,247</u></u>
		<b>REPRESENTED BY:</b>		
(22,363)		Unrestricted Funds	8	40,454
11,700		Designated Funds	9-10	11,130
4,652		Restricted Funds	11-16	1,663
	<u>(6,011)</u>		17	<u><u>53,247</u></u>

The financial statements are prepared in accordance with the special provisions relating to small companies within Part 25 of the Companies Act 2006 with the Financial Reporting Standard for Smaller Entities (effective April 2008).

M  
(C)



Mrs L Lee  
(Director)



Date: 20th September 2011

Company Number: 2332073

Charity Number: 701194



## THE MALTINGS (BERWICK) TRUST STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2011 (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

2009-2010		2010-2011				
TOTAL FUNDS	INCOME & EXPENDITURE	NOTES	Restricted Funds	Unrestricted Funds	Designated Fund	TOTAL FUNDS
£			£	£	£	£
<b>INCOMING RESOURCES</b>						
<b>Incoming Resources from generated funds</b>						
201,982	Voluntary Income	18	8,323	268,967	4,946	282,236
67,659	Activities for Generating Funds - Trading		-	92,275	-	92,275
11	Investment Income		-	10	-	10
252,344	<b>Income from Charitable Activities</b>	19	-	332,733	-	332,733
14,331	<b>Other Incoming Resources</b>		1,060	13,090	-	14,150
<b>536,327 Total Incoming Resources</b>			<b>9,383</b>	<b>707,075</b>	<b>4,946</b>	<b>721,404</b>
<b>RESOURCES EXPENDED</b>						
(446,974)	Charitable Activities	20	(12,372)	(535,607)	(5,516)	(553,495)
(68,716)	Cost of Generating Funds	21	-	(89,144)	-	(89,144)
(18,508)	Governance Costs	22	-	(19,507)	-	(19,507)
<b>(534,198) Total Resources Expended</b>			<b>(12,372)</b>	<b>(644,258)</b>	<b>(5,516)</b>	<b>(662,146)</b>
2,129	<b>Net Income/ (Expenditure) for the year - before Extraordinary Items and Transfers</b>		<b>(2,989)</b>	<b>62,817</b>	<b>(570)</b>	<b>59,258</b>
(25,549)	Extraordinary Expenditure Relating to Employment Matters	23	-	-	-	-
40,000	Unrealised Gain On Fixed Asset Revaluation		-	-	-	-
<b>16,580 Net Movement in Funds</b>			<b>(2,989)</b>	<b>62,817</b>	<b>(570)</b>	<b>59,258</b>
(22,591)	<b>Total Funds Brought Forward</b>		<b>4,652</b>	<b>(22,363)</b>	<b>11,700</b>	<b>(6,011)</b>
<b>(6,011) Total Funds Carried Forward</b>			<b>1,663</b>	<b>40,454</b>	<b>11,130</b>	<b>53,247</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

2009-2010		2010-2011				
TOTAL FUNDS		NOTES	Restricted Funds	Unrestricted Funds	Designated Fund	TOTAL FUNDS
£			£	£	£	£
(23,420)	Surplus/ (Deficit) For Financial Year		(2,989)	62,817	(570)	59,258
40,000	Unrealised Surplus On Revaluation Of Asset		-	-	-	-
<b>16,580 Total Recognised Gains/(Losses) Relating To The Year</b>			<b>(2,989)</b>	<b>62,817</b>	<b>(570)</b>	<b>59,258</b>

## 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 2011-2012 and financial support from the Arts Council England, North East has been secured for a further four years. 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	5% Straight Line
General - Cinema Equipment	5% Straight Line
General - Fixtures and Fittings	10% Straight Line
General - Lighting and Sound Equipment	5% 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.

During the year the rate of General - Technical Equipment, Cinema Equipment and Lighting and Sound Equipment was adjusted from 20% Reducing Balance, 10% Straight Line and 10% Straight Line respectively all to 5% Straight Line. If the depreciation rates had remained the same as in the previous year, general depreciation would have been £5,039.

See note 24 for treatment of the 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 20 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 property improvements is written off as incurred as the Trust has no future legal interest in such expenditure.

**i) Pension Scheme**

Eligible staff are 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 year 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.

One employee was member of this pension scheme and contributions for the year amounted to £1,047. 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 unrestricted 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 Community Company Account: for community projects only.
- The Third Age Project: for the provision of free theatre tickets and transport for the elderly only.
- Northumberland County Council - Venue Study: for funding a venue study only.
- Awards For All - Projection Equipment: for the purchase of a projector only.
- Community Foundation/Business Enterprise- for funding improvements to the charitable companies web site.

The movements on these reserves are summarised in note 17 to the accounts.

## THE MALTINGS (BERWICK) TRUST

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

#### 2 Fixed Assets

	Computer Equipment & Software	Office Equipment & Furnishings	General Equipment	Heritage Assets	Studio Refurbishment	Kitchen Equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
Brought Forward:	18,904	3,247	103,109	16,445	-	6,161	147,866
Grants	(1,020)	(3,247)	(10,292)	(16,445)	-	-	(31,004)
Revaluation	-	-	-	40,000	-	-	40,000
	<u>17,884</u>	<u>-</u>	<u>92,817</u>	<u>40,000</u>	<u>-</u>	<u>6,161</u>	<u>156,862</u>
Additions	-	-	-	3,300	92,794	-	96,094
Disposals - Cost	-	-	(10,651)	-	-	-	(10,651)
Disposals - Grants	-	-	5,684	-	-	-	5,684
	<u>17,884</u>	<u>-</u>	<u>87,850</u>	<u>43,300</u>	<u>92,794</u>	<u>6,161</u>	<u>247,989</u>
<b>Depreciation</b>							
Brought Forward	13,368	-	74,267	-	-	6,161	93,796
Charge this Year	1,607	-	1,602	-	-	-	3,208
On Disposals	-	-	(4,967)	-	-	-	(4,967)
	<u>14,975</u>	<u>-</u>	<u>70,902</u>	<u>-</u>	<u>-</u>	<u>6,161</u>	<u>92,037</u>
Net Book Value 2011	<u>2,909</u>	<u>-</u>	<u>16,948</u>	<u>43,300</u>	<u>92,794</u>	<u>-</u>	<u>155,952</u>
Net Book Value 2010	<u>4,516</u>	<u>-</u>	<u>18,550</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>63,066</u>

All assets are held for use in direct furtherance of the objectives of the charity.

## THE MALTINGS (BERWICK) TRUST

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

	2011	2010
	£	£
<b>3 Debtors: Amounts Falling Due Within One Year</b>		
Debtors	7,066	1,236
Prepayments	20,804	13,681
	<u>27,870</u>	<u>14,917</u>

#### 4 Current Liabilities

##### Creditors: Amounts Falling Due Within One Year

Trade Creditors	86,451	67,260
Accrued Charges	13,609	13,711
Other Creditors	-	7,500
	<u>100,060</u>	<u>88,471</u>

#### 5 Deferred Income

	Ticket Sales £	Room Hire £	Grants £	Patrons £	Total £
Balance at 1st April 2010	26,099	969	9,073	1,125	37,266
Amount released to incoming resources	(26,099)	(969)	(422)	(1,125)	(28,615)
Amount deferred in the year	37,306	650	-	1,125	39,081
Balance at 31st March 2011	<u>37,306</u>	<u>650</u>	<u>8,651</u>	<u>1,125</u>	<u>47,732</u>

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.

#### 6 Provision

	2011	2010
	£	£
Balance at 1st April	-	3,000
Provision for pension deficit	-	-
Utilised in the year	-	(3,000)
Balance at 31st March	<u>-</u>	<u>-</u>

#### 7 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	147,527	530	7,895	155,952
Stocks	3,573	-	-	3,573
Debtors and prepayments	27,870	-	-	27,870
Cash at bank and in hand	626	10,600	2,419	13,644
Creditors	(100,060)	-	-	(100,060)
Prepaid income	(39,081)	-	(8,651)	(47,732)
<b>Net Assets At 31st March 2011</b>	<u>40,455</u>	<u>11,130</u>	<u>1,663</u>	<u>53,247</u>

## THE MALTINGS (BERWICK) TRUST

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

<b>8</b>	<b>Unrestricted Funds</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	(22,363)	(89,418)
	Surplus/(Deficit) for the financial year	62,817	(22,945)
	Revaluation	-	40,000
	Transfer from Refurbishment Reserve	-	50,000
	<b>Balance at 31st March</b>	<b>40,454</b>	<b>(22,363)</b>
<b>9</b>	<b>Designated Fund: Refurbishment Reserve</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	10,856	63,260
	Surplus/(Deficit) for the financial year	(256)	(2,404)
	Transfer to Refurbishment Reserve	-	(50,000)
	<b>Balance at 31st March</b>	<b>10,600</b>	<b>10,856</b>
<b>10</b>	<b>Designated Fund: Capital</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	844	1,055
	Surplus/(Deficit) for the financial year	(314)	(211)
	<b>Balance at 31st March</b>	<b>530</b>	<b>844</b>
<b>11</b>	<b>Youth Dance Account</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	-	156
	Expenditure in year	-	(156)
	<b>Balance at 31st March</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>Community Company Account</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	-	222
	Expenditure in year	-	(222)
	<b>Balance at 31st March</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Third Age Project</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance brought forward	653	2,134
	Sales - Third Age fundraising events	638	1,304
	Expenditure during the year	-	(2,785)
	<b>Balance at 31st March</b>	<b>1,290</b>	<b>653</b>

## THE MALTINGS (BERWICK) TRUST NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

	2011	2010
	£	£
<b>14 Northumberland County Council - Venue Study</b>		
Balance brought forward	4,000	-
Grant received	3,600	4,000
Expenditure during the year	(7,600)	-
<b>Balance at 31st March</b>	<u>-</u>	<u>4,000</u>
<b>15 Awards For All- Projection Equipment</b>		
Balance brought forward	-	-
From Deferred Grant	422	140
Expenditure during the year	(422)	(140)
<b>Balance at 31st March</b>	<u>-</u>	<u>-</u>
<b>16 Community Foundation/Business Enterprise- Web</b>		
Balance brought forward	-	-
Grant received	4,723	-
Expenditure during the year	(4,350)	-
<b>Balance at 31st March</b>	<u>373</u>	<u>-</u>

Note 17: Statement of Reserves	Balance Brought Forward (2010)	Incoming Resources	Outgoing Resources	Transfers between funds	Balance Carried Forward (2011)
	£	£	£	£	£
Revaluation reserve	40,000	-	-	-	40,000
Revenue Reserve	(62,363)	707,075	(644,258)	-	454
<b>Subtotal Unrestricted Funds</b>	(22,363)	707,075	(644,258)	-	40,454
Refurbishment Repair Reserve	10,856	4,946	(5,202)	-	10,600
Capital Fund	844	-	(314)	-	530
<b>Subtotal Designated Funds</b>	11,700	4,946	(5,516)	-	11,130
Venue Study	4,000	3,600	(7,600)	-	-
Awards For All- Projection Equipment	-	422	(422)	-	-
Community Foundation/Business Enterprise- Web	-	4,723	(4,350)	-	373
Third Age Project	652	638	-	-	1,290
<b>Subtotal Restricted Funds</b>	4,652	9,383	(12,372)	-	1,663
	<u>(6,011)</u>	<u>721,404</u>	<u>(662,146)</u>	<u>-</u>	<u>53,247</u>

## THE MALTINGS (BERWICK) TRUST

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

18 Voluntary Income	Restricted Funds	Unrestricted Funds	Designated Funds	Total Income 2011	Total Income 2010
	£	£	£	£	£
<b>Grants Received</b>					
Northumberland County Council	-	108,480	-	108,480	117,280
Arts Council England, North East	-	45,267	-	45,267	44,298
Other	8,323	-	-	8,323	12,000
	<u>8,323</u>	<u>153,747</u>	<u>-</u>	<u>162,070</u>	<u>173,578</u>
<b>Donations/Sponsorship</b>					
NCC for Studio	-	77,794	-	77,794	-
AONB for Studio	-	3,242	-	3,242	-
Other	-	4,350	4,946	9,296	5,749
Notional income from Donated Services	-	29,834	-	29,834	22,655
	<u>8,323</u>	<u>268,967</u>	<u>4,946</u>	<u>282,236</u>	<u>201,982</u>

19 Income from Charitable Activities	Restricted Funds	Unrestricted Funds	Designated Funds	Total Income 2011	Total Income 2010
	£	£	£	£	£
Programme income	-	238,544	-	238,544	169,431
Film income	-	50,037	-	50,037	40,856
Lettings	-	25,311	-	25,311	27,680
Classes	-	10,944	-	10,944	12,264
Projects	-	6,930	-	6,930	760
Film Advertising	-	967	-	967	1,353
	<u>-</u>	<u>332,733</u>	<u>-</u>	<u>332,733</u>	<u>252,344</u>

20 Expenditure on Charitable Activities	Restricted Funds	Unrestricted Funds	Designated Funds	Total 2011	Total 2010
	£	£	£	£	£
Employee Costs	-	150,919	-	150,919	135,315
Notional Cost of Donated Services	-	29,834	-	29,834	22,655
Staff Recruitment, Training and Subsistence	-	2,651	-	2,651	2,158
Premises Costs	-	54,194	5,202	59,396	54,189
Marketing / Outreach / Projects - Office Costs	-	21,671	-	21,671	18,999
Publicity and Promotions	-	34,644	-	34,644	32,588
Subscriptions, Licences and Technical	-	7,885	-	7,885	6,400
Programmed Events Costs	7,600	212,163	-	219,763	154,100
Website Costs	4,350	-	-	4,350	-
Other Direct Cost: Non Reclaimable VAT	-	19,172	-	19,172	18,115
Other Direct Cost: Depreciation	422	2,472	314	3,208	2,455
	<u>12,372</u>	<u>535,607</u>	<u>5,516</u>	<u>553,495</u>	<u>446,974</u>

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



## THE MALTINGS (BERWICK) TRUST

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

21 Cost of Generating Funds	Unrestricted Funds	Total 2011	Total 2010
	£	£	£
Bar and Confectionery Sales & Expenses	72,350	72,350	55,315
Bank and Credit Card Expenses	7,652	7,652	4,829
Other Employee Costs	3,120	3,120	3,000
Other Overheads	6,023	6,023	5,572
	89,144	89,144	68,716

22 Governance Costs	Unrestricted Funds	Total 2011	Total 2010
	£	£	£
Office Expenses	900	900	900
Audit Fees	3,800	3,800	3,800
Professional Fees	6,487	6,487	5,808
Employee Costs	8,320	8,320	8,000
	19,507	19,507	18,508

### 23 Extraordinary Expenditure Relating to Employment Matters

The £25,549 extra-ordinary expenditure in 2009-2010 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.

### 24 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, was held at nil net book value in the accounts.

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 accounting standard FRS30, should be recognised on the balance sheet at its current value.

Independent market valuation at September 2010 was obtained from Besbrodes and a figure of £40,000 placed on the asset.

The value of the Steinway at 31 March 2010 was £40,000 and at 31 March 2009 was estimated at £38,000. It is not practical to provide a reliable valuation prior to that date.

During the year The Maltings was donated an Otto Schwartz Baby Grand Piano GP 142. This was purchased by the donor for £3,300 and has therefore subsequently been valued at this amount.

Trustees will regularly review the value of these assets which have not changed significantly since that time. 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 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.

## THE MALTINGS (BERWICK) TRUST

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

#### 25 Operating Surplus/(Deficit)

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

	2011	2010
	£	£
Audit Fee	3,800	3,800
Depreciation	3,208	2,455

The Auditors also received £2,637 for payroll services (2010 £2,370).

#### 26 Operating Lease Commitment

At 31st March 2011 the company was committed to making the following payments during the year in respect of operating leases:

	<u>Office Equipment</u>	
	2011	2010
Leases which expire within 1 year.	-	2,088
Leases which expire within 5 years	5,221	-

#### 27 Related Party Transactions

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

#### 28 Staff Costs

	2011	2010
	£	£
Wages & Salaries	191,610	185,110
National Insurance	13,517	13,235
Pension Costs	1,047	780
	<u>206,174</u>	<u>199,125</u>

The average number of staff during the year was 18 (2010-15) - 5 full-time and 13 part-time (or FTE of 6).

8 employees earned between £10,000 and £40,000 in the financial year (2010-11). No employee earned £40,000 p.a. or more.

The cost of volunteer help in stewarding is included in these accounts. This is an estimate based on 3 stewards per show being paid minimum wage (£5.80/hour) for 3.5 hours per show; time donated by our six Board members in attending meetings and preparation; and time donated by volunteer performers in productions and rehearsal. This figure is also reflected in donations received.

The pension scheme is a defined benefit scheme - see note 1 (i) - covering one member 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 (2010- £473).

#### 31 Taxation

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

#### 32 Share Capital

- (a) The Company is limited by guarantee and has no share capital.
- (b) There are no permanent endowment funds.

#### 33 Controlling Party

The charitable company is controlled by its Directors as Trustees.

#### 34 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.



*Figure 17: If Walls Could Talk: Mobius Dance Theatre in association with The Maltings Theatre, The Penny Lodging House, October 2010.*

## 9. FUNDERS & SUPPORTERS

An organisation such as The Maltings which receives just 21% 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 and organisations 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.

**This year we would like to particularly thank the European LEADER Coast and Lowland Funding Programme for their £78,000 donation through Northumberland County Council to the refurbishment of the Henry Travers Studio at The Maltings; the Northumberland Area of Outstanding Natural Beauty who also made a contribution to the costs of this exciting and innovative project; and Northumberland County Council for their support of the project, without which it would not have been possible.**

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.



The European Agricultural Fund for Rural Development:  
Europe investing in rural areas.



Corporate Patrons:

