
FINCHINGFIELD GUILDHALL

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

FINCHINGFIELD GUILDHALL

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FINCHINGFIELD GUILDHALL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees present their annual report together with the financial statements of Finchingfield Guildhall (the CIO) for the year ended 31 March 2016. The Trustees confirm that the Annual Report and financial statements of the CIO comply with the current statutory requirements, the requirements of the CIO's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trustees have decided to early adopt Update Bulletin 1 of the Charities SORP (FRS 102) (effective 1st January 2016).

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice from 1 April 2005 which has since been withdrawn.

During the year the Finchingfield Guildhall Trust (charity registration number 205016) transferred all of its assets and liabilities into Finchingfield Guildhall (the CIO), such that the unincorporated charity now forms part of the new CIO.

The financial statements combine the results of both the old charity and new CIO as if it were one entity because it meets the conditions of a merger under FRS102.

OBJECTIVES AND ACTIVITIES

- **Policies and objectives**

The Constitution dated May 2014 states that the objects of the CIO are:

- 1) to restore and preserve the Finchingfield Guildhall and associated land and buildings, having historic interest, architectural merit or amenity value for the benefit of the inhabitants of the area of benefit (Finchingfield and the surrounding area);
- 2) to provide facilities for the advancement of education and in the interests of social welfare to provide facilities for recreation with the object of improving the condition of life of the inhabitants;
- 3) to establish and maintain a museum and/or art gallery for the benefit of the inhabitants; and
- 4) to undertake any other charitable activity for the benefit of the inhabitants.

- **Main activities undertaken to further the charity's purposes for the public benefit**

Charity trustees have a duty to examine and report on the benefit to public of their charity. The Trustees of the Finchingfield Guildhall CIO have considered the requirements in the new SORP, FRS102, the Charity Commission's website and guidance papers.

The Guildhall's Grade I listing denotes its national, regional and local importance. Following its repair, refurbishment and restoration, local residents, those living in the surrounding areas and the many visitors to Finchingfield have benefited from the amenities available within the Guildhall and from the range of events provided within a beautiful, inspiring and historic setting.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Therefore, the Trustees conclude:

1. The aims of the CIO are charitable;
2. The objects and activities give identifiable benefits to the inhabitants in the area of benefit;
3. The benefits are for the public and not unreasonably restrictive in any way; and
4. There is no detriment or harm arising from the aims and activities.

The CIO has one self-employed, part-time manager.

● **Volunteers**

All trustees and team members are volunteers.

No trustee or volunteer has benefited from the activities of the CIO.

ACHIEVEMENTS AND PERFORMANCE

● **Review of activities**

This has been a good year for the Guildhall. The range of activities taking place in the building and the number of users has grown again. We are realising our ambition to put the building at the heart of the community. Despite the disproportionate amount of time spent on dealing with difficult and demanding issues such as FWA in administration, VAT matters and the status of our assets, measurable progress has been achieved. The entire team is to be commended for its strong work ethic, dedication and vibrant enjoyment brought to the charity. The trustees are incredibly grateful for all of this. Throughout the year a diverse range of activities have taken place. These include:

Social outreach – regular coffee mornings and computer literacy classes. Both are aimed at older members of the community and no charge is made for tea or coffee on alternate Mondays. Over 65s receive free tuition in learning to use laptops, iPads, tablets etc. These events are extremely popular and besides meeting a need in the community have the added benefit of providing companionship and contact for older people.

Living History – during the last year, we were approached by a group of historic re-enactors with an offer to work with us in a building ideally suited to living history. A World War II exhibition, celebrating the 75th anniversary of VE Day, began our venture. This was followed by a Tudor Festival and then a Victorian Christmas season. Visitor numbers greatly exceeded expectations and demonstrated the efficacy of advertising the event widely. Further events are planned for the forthcoming year and will include a First World War exhibition, a return to the 1960s and 1970s and another Tudor Festival.

Adult education – language and history classes continue to be popular. We are grateful to Mrs Camilla Jarvis for her continuing hard work at ensuring the success of this Guildhall product. Italian conversation lessons are planned for the forthcoming year and the trustees will support our manager in her quest for expanding this use of the Guildhall.

Art exhibitions – The D'Oyly Carte Charitable Trust paid for a picture hanging system in the Guild Room as part of our refurbishment. During the last year, excellent use has been made of this, with two prestigious exhibitions being held. Helga Crouch and Gael Sellwood art works were displayed to stunning effect in our building. Both were delighted with the results of their shows and we look forward to welcoming other artists this year.

Co-operation with other groups – we continue to work with groups planning large-scale projects, making our materials available and sharing our experiences. It is a pleasure always to hear other charities' plans and proposals and to share ideas. Groups we met in the last year include a local museum and a heritage project wanting to examine our museum interpretation.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Storage for Museum artefacts – metal shelving has been installed in the loft, providing accessible storage for archived materials. We are grateful for donations for this equipment which has enabled us to maximise use of this space.

FINANCIAL REVIEW

- **Financial Review and Reserves Policy**

The charity has worked hard to cover its core costs from income generated by the assets throughout the year.

During the year ended 31 March 2016 income was received of £51,108 (2015: £53,523), with expenditure incurred of £142,889 (2015: £155,779) leading to net expenditure of £91,781 (2015: £102,256). The land owned by the Finchingfield Guildhall Trust had previously not had a value attached to it, but was transferred to the CIO with a value of £250,000.

There were closing funds of £1,980,272 at the year end (£1,822,053) of which £268,877 were represented by unrestricted funds and £1,711,395 by restricted funds. There were no free reserves at the year end because all unrestricted funds are represented by fixed assets.

As a small charity which has recently completed a large-scale project, there are no reserves on which to draw. It has been necessary to exercise economy and restraint in most areas of expenditure. As detailed elsewhere in this report, the costs of compliance and governance can be penal to a small organisation. While sharing the Charity Commission's desires to have well-run, accountable and transparent charities, other activities may have to be sacrificed to meet these demands. It remains the trustees' intention to work towards a sustainable model and work is ongoing to find the most effective ways of proceeding.

The charity has a Reserves Policy. It continues to be aspirational. Financial matters occupy trustees and the team to a significant degree. Two and a half years after re-opening, we continue to work towards a sustainable model, which does not rely on external sources of funding. Many other small charities share our concerns that regulators ignore the realities of the day to day existence within our sector. A well-known grant maker will not approve funding if the applicant has cash covering more than three months' expenses in reserve; others request detailed information as to why funds are held in reserve and why they cannot be used for projects for which funding is requested. Currently £700 is held on deposit, this sum representing no more than 10% of working capital. This may be used in accordance with our policy.

The final tranche of HLF Transition Funding was drawn down in September 2015. In effect, this was a reimbursement as the charity had to demonstrate that the money had been spent. We remain grateful to the Heritage Lottery Fund for the financial assistance give over several years; without the existence of this type of funding, important heritage buildings would be lost to the nation.

A grant of £5,000 was received from the Garfield Weston Foundation towards completion of the building project. This has been spent on rectifications and we thank the trustees of Garfield Weston for their support throughout our project.

Fowler Smith and Jones granted £1,000 in February 2016 as a contribution to our planned Schools' Programme. The ongoing nature of the consequences of FWA's administration has delayed the launch of this programme again, but as the year concludes, planning has been possible and we are confident of introducing the programme in 2016.

Applying for grants is a time consuming and demanding task. The trustees remain resolute in their desire to cover running costs from use of the building. The benefits of having a manager cannot be over-stated and it is our intention to retain Mrs Wood's services for the future. Careful planning is necessary to ensure that we can fulfil this desire.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

We are grateful for the support and generosity of local people throughout the year. We are delighted that clear evidence of their enjoyment of the building continues and that we are able to provide a range of activities that meet with approval.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The charity has its origins in 1567: many changes have occurred throughout the centuries, culminating in our most recent revisions; in May 2014, the charity was given approval by the Charity Commission to become a Charitable Incorporated Organisation. The Charity Commission's model documentation was used for our governing documents.

- **Method of Appointment or Election of Trustees**

The Trustees who served during the year were:

Mrs Linda Turner (resigned July 2015)
The Reverend Colin Wilson
Mr Jonathan Goodfellow
Mr Damon Knight
Mr Jeremy Toynbee
Mr Douglas West
Mrs Jacquelyn Bargman
Mr Austin Davies (appointed 20 October 2015)
Mr Colin Ehren (appointed 20 October 2015)
Mr John Holford (appointed 20 October 2015)

The CIO has one self-employed, part-time manager, Mrs Kiki Wood.

The Trustee board comprises currently 7 members approved by the members of the CIO and 2 others nominated by a) Finchingfield Parish Council and b) The Church of St John the Baptist Parochial Church Council. Mr Austin Davies and the Rev Colin Wilson are the respective appointees.

- **Organisational structure and decision making**

The Trustees meet quarterly and make decisions on strategy. They delegate the day-to-day running of the Guildhall to the part-time manager.

- **Risk management**

The Trustees have assessed the risks for the forthcoming year:

Financial Risks

Risk identified - Non-completion of building works:

During the last year, the charity was subjected to a further, unacceptable rectification period from the restoration project. Significant issues remained outstanding and by June 2015, puzzling claims concerning the completion of the contract were being made by Fairhurst Ward Abbott's (FWA) Conservation Director. It was not a surprise to learn that the company went into administration on July 1 2015, breaching the contract by this

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

action. The charity informed the administrators that the contract was terminated and that the trustees should be treated as the point of contact for all related matters. Much time, energy and effort has been expended by the team in addressing the problems caused by FWA's failures.

Mitigation:

Independent consultants are employed to analyse the outstanding faults and likely costs of rectification. The administrators have accepted that such are the scale and seriousness of the unrectified faults that the charity may make a post-administration claim against FWA. The trustees have resolved that no further payments will be made to FWA or related parties.

Trustees note the contents of the administrators' proposals for dealing with the administration (<https://beta.companieshouse.gov.uk/company/00369049/filing-history>) and understand that the administration is not scheduled to end until June 2017. The scale of FWA's collapse precludes an early conclusion.

Risk identified - VAT status:

Linked to FWA's collapse is the charity's VAT status. Much work was done in preparation for a retrospective zero rating applied to building works, closing the Capital Goods Scheme and to de-register for VAT. FWA entering into administration nullified this work and this has had a significant impact on the charity. The corrosive and sapping demands of dealing with these financial risks cannot be overstated.

Mitigation:

We continue to work with our professional advisors towards a resolution.

Risk identified – Status of Assets:

Permission to become a CIO was granted in May 2014; transferring assets proved complicated and expensive. It cannot have been the original intention of the government that small charities would find the transformation to a CIO so time-consuming and costly. Layers of complexity and difficulty appear to have been added for little, if any, benefit. Historic bequests of land caused much of the delay, with the need to make repeated requests for documentation from our tenant's land agents. Changes to VAT laws caused added complications and imposed a deadline for completion of 30 September 2015. Required notification from HMRC arrived just before close of business on that day, allowing the transaction to be finalised.

In the process of establishing documentation for the land, it was revealed that an irregular situation exists with regard to the tenancy agreements. Changes made over many years are detrimental to the charity and the trustees are aware that it is their fiduciary duty to rectify matters.

Mitigation:

An informal meeting, as advised by our agent, with our tenant produced no tangible results. The trustees will continue to seek satisfactory solutions in a variety of creative ways. Serving a Section 6 notice is advised and the tenant has said that this will be acceptable.

Risk identified - Increasing costs of compliance and governance:

The introduction of a new SORP has cost implications for our charity. As well as additional costs in accountancy fees, the requirement to have assets valued places an additional strain on a tight budget. Proposals to apply a levy on charities to pay for the cost of regulation are alarming. The trustees wish to express their concern in the strongest terms that the costs imposed on small charities are onerous; additional charges will be counter-productive; paying rising compliance and governance costs from limited incomes will result in less money being spent on charitable objects and/or skimping on running the charity as required. It is unrealistic to expect professional firms to work on a pro-bono basis, as has been suggested.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Mitigation:

As trustees, we strive to be a well-run charity with good compliance and governance. Two trustees are appointed to oversee this area of our operations and as both have considerable experience in this field, it is anticipated that there will be cost-savings from incorporating this level of scrutiny into our activities.

Operational risks

Risk identified – volunteer burn-out:

A volunteer-based organisation can be extremely advantageous, but also gives rise to different risks from those facing charities operated by employers. We believe there may be a danger of “volunteer burn-out”.

Mitigation:

While our key demographic for volunteers will be the retired and we should continue to seek volunteers here, we shall actively look for young volunteers, the Duke of Edinburgh award, for instance, has a volunteering requirement. We shall also target students both during the summer holidays and throughout the year: those at A-level, doing degrees but staying at home and those in vocational courses at local colleges, for instance. Local employers will benefit from this also, as it is useful information to have on a CV, especially for those who have not had a chance to build up a work history, be that because they are young, or have been out of work for a period.

Risk identified - lack of funds for management:

This year we were sad to lose one of our excellent job-share, self-employed managers. We believe that we had an exceptionally good deal with the arrangements in place and we are extremely grateful for the results achieved. One manager, Mrs K Wood, has stayed in position and continues to work on a part-time, self-employed basis. Losing Mrs. Wood's services would be a major blow for the charity and it is essential to ensure that funds are available for payment of her fees.

Mitigation:

The trustees have identified the need to retain Mrs Wood's services and will strive to ensure that the part-time nature of her work is honoured. Volunteers, including trustees, will be encouraged to share the workload, where appropriate. In addition, external sources of funding will continue to be investigated, as will maximising the Guildhall's income from a variety of revenue streams. Financial planning to ensure prudent expenditure of scarce resources and minimal waste will continue.

External risks

Risk identified – widening of Finchingfield Bridge:

This risk was identified last year, but we included the proposal to close the bridge, with no provision for a temporary crossing. Many residents, local organisations and businesses have campaigned effectively to remove the threats posed by the April 2015 proposals. In February 2016 Essex Highways revealed modified proposals for the bridge incorporating a crossing point at all times. Unfortunately, these latest proposals will result in a substantially wider bridge, clearly facilitating the transit of HGV traffic through the village. The Guildhall has been hit by HGVs twice since 2014 and the charity is alarmed that the risk of damage to the building has been increased significantly.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

In addition, we rely upon the “well-being” of the community from which we draw volunteers, people to attend our events and those who visit the area for its rural beauty. The current plans will raise the risk of serious floods to an already flood-prone area of the village, making affected properties uninsurable, unsaleable and uninhabitable. There are insufficient safeguards to protect the historic built environment and little or no regard for the environmental impact of increased pollution from greater numbers of HGVs.

Mitigation:

A detailed letter of complaint was sent to the Cabinet Member of Essex County Council, copying in our local planners and Essex Highways. We shall seek to ensure that sufficient safeguards for our heritage are in place should any scheme take place. To this end, we have appointed one trustee to have particular responsibility for this action, working in conjunction with Finchingfield Parish Council.

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 CIO and of the incoming resources and application of resources of the CIO for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CIO will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 19 July 2016 and signed on their behalf by:

The Reverend Colin Wilson
Trustee

Mr Jonathan Goodfellow
Trustee

FINCHINGFIELD GUILDHALL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIO, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016

Trustees

Mrs Jacquelyn Bargman, Chair
The Reverend Colin Wilson, Vice Chair
Mr Jonathan Goodfellow
Mr Damon Knight
Mr Jeremy Toynbee
Mr Douglas West
Mr Austin Davies
Mr Colin Ehren
Mr John Holford

Charity registered number

1157103

Principal office

The Guildhall
Finchingfield
Essex
CM7 4NN

Clerk to the Trustees

Mr Des Fahy

Independent Examiner

Mrs J Coplowe FCA
Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank PLC
1 Bank Street
Braintree
Essex
CM7 1UG

Solicitors

Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIO, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016

Advisers (continued)

Insurance Brokers

N W Brown Group
Richmond House
16 - 20 Regent Street
Cambridge
CB2 1DB

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INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

Independent examiner's report to the Trustees of Finchingfield Guildhall

I report on the financial statements of the CIO for the year ended 31 March 2016 which are set out on pages 12 to 25.

This report is made solely to the CIO's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report. The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Respective responsibilities of Trustees and examiner

The CIO's Trustees are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

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

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the Act; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and in other respects comply with the accounting requirements of the Act.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:

Dated: 22 August 2016

Mrs J Coplowe FCA
For and on behalf of Peters Elworthy and Moore
Chartered Accountants Cambridge

FINCHINGFIELD GUILDHALL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
INCOME FROM:					
Donations and legacies	2	16,050	9,233	25,283	41,817
Investments	3	-	4,047	4,047	4,086
Charitable activities	4	-	21,778	21,778	7,620
TOTAL INCOME		16,050	35,058	51,108	53,523
EXPENDITURE ON:					
Charitable activities	5	111,481	31,408	142,889	155,779
TOTAL EXPENDITURE		111,481	31,408	142,889	155,779
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments	10	(95,431)	3,650	(91,781)	(102,256)
		-	250,000	250,000	-
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		(95,431)	253,650	158,219	(102,256)
Transfers between Funds	14	4,374	(4,374)	-	-
NET INCOME / (EXPENDITURE)		(91,057)	249,276	158,219	(102,256)
NET MOVEMENT IN FUNDS		(91,057)	249,276	158,219	(102,256)
RECONCILIATION OF FUNDS:					
Total funds at 1 April 2015		1,802,452	19,601	1,822,053	1,924,309
TOTAL FUNDS AT 31 MARCH 2016		1,711,395	268,877	1,980,272	1,822,053

All activities relate to continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

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**BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	£	2016 £	£		Combined 2015 £
FIXED ASSETS						
Tangible assets	9	1,799,099		1,884,877		
Investment property	10	250,000		-		
			<u>2,049,099</u>	<u>1,884,877</u>		1,884,877
Total tangible assets			<u>2,049,099</u>			<u>1,884,877</u>
CURRENT ASSETS						
Stocks	11	304		620		
Debtors	12	3,668		3,724		
Cash at bank and in hand		6,420		18,390		
		<u>10,392</u>		<u>22,734</u>		
CREDITORS: amounts falling due within one year	13	<u>(79,219)</u>		<u>(85,558)</u>		
NET CURRENT LIABILITIES			<u>(68,827)</u>			<u>(62,824)</u>
NET ASSETS			<u>1,980,272</u>			<u>1,822,053</u>
CHARITY FUNDS						
Restricted funds	14		1,711,395			1,802,452
Unrestricted funds	14		268,877			19,601
TOTAL FUNDS			<u>1,980,272</u>			<u>1,822,053</u>

The financial statements were approved by the Trustees on 19 July 2016 and signed on their behalf, by:

The Reverend Colin Wilson

Mr Jonathan Goodfellow

The notes on pages 14 to 25 form part of these financial statements.

FINCHINGFIELD GUILDHALL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011. The Trustees have decided to early adopt Update Bulletin 1 to the new SORP (effective 1 January 2016).

The CIO constitutes a public benefit entity as defined by FRS 102.

1.2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 GOING CONCERN

The Trustees consider that there are no material uncertainties about the CIO's ability to continue as a going concern.

As detailed in the Annual Report, the Trustees are acutely aware that the financial position of the CIO is tight, however with careful management of the day-to-day expenditure and the determination to raise funds through events and grants, the Trustees are satisfied that it is appropriate to prepare the accounts on the going concern basis.

With respect to the next reporting period, the most significant area of uncertainty relates to the sustainability of income.

1.4 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

FINCHINGFIELD GUILDHALL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the CIO has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the CIO of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

Grants and donations are recognised when the CIO has been notified in writing of both the amount and settlement date. In the event that a grant or donation is subject to conditions that require a level of performance before the CIO is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the Bank

Field rent and library rent is recognised in the period in which it is receivable. Any rent owing to the CIO is included in debtors at the year end and any income received in advance is carried forward within creditors.

The majority of income from charitable activities arises on a cash basis and is therefore recognised when received. Where income for workshops, guided tours or seasonal events is received in advance, that income is carried forward on the balance sheet to be matched with expenditure when the event takes place.

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

Governance costs are those incurred in connection with administration of the CIO and compliance with constitutional and statutory requirements.

FINCHINGFIELD GUILDHALL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 25 years
Museum costs	-	over 10 years
Computer equipment	-	over 3 years

1.8 INVESTMENT PROPERTY

Investment property is a form of basic financial instrument and is included on the Balance Sheet at a fair value determined by an independent external valuer and is derived from the current tenancy rental agreement, location and grade of land. The Statement of financial activities includes the net gain arising on revaluation during the year. No depreciation is provided.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the CIO has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.13 FINANCIAL INSTRUMENTS

The CIO only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. INCOME FROM DONATIONS AND GRANTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
Donations and Gift Aid	1,050	9,233	10,283	1,817
Grants (see below)	15,000	-	15,000	40,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	16,050	9,233	25,283	41,817
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, £1,817 of the total income from donations and grants was received into unrestricted funds and £40,000 was received into restricted funds.

GRANTS

	2016 £	Combined Total funds 2015 £
Heritage Lottery Transition Grant	10,000	40,000
Garfield Weston Grant	5,000	-
	<hr/>	<hr/>
Total	15,000	40,000
	<hr/> <hr/>	<hr/> <hr/>

3. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
Field rents	-	3,690	3,690	3,690
Library rent	-	354	354	396
Interest received	-	3	3	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,047	4,047	4,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015 all investment income was unrestricted.

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
Hire of Guildhall	-	1,613	1,613	1,866
Cafe	-	561	561	174
Library printer	-	142	142	175
Seasonal events	-	5,052	5,052	991
Museum and shop income	-	10,430	10,430	756
Guided tours	-	805	805	1,526
Workshops	-	3,175	3,175	2,132
	<u>-</u>	<u>21,778</u>	<u>21,778</u>	<u>7,620</u>

In 2015 all income from charitable activities was unrestricted.

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs (note 6) 2016 £	Governance costs (note 7) 2016 £	Total 2016 £	Combined Total 2015 £
Charitable activities	<u>139,759</u>	<u>3,130</u>	<u>142,889</u>	<u>155,779</u>

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. DIRECT COSTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
Management expenses	17,708	5,583	23,291	27,584
Depreciation	84,523	1,558	86,081	85,891
Project expenses	309	10,311	10,620	5,231
Legal and professional fees	1,404	1,936	3,340	18,221
Insurance	1,993	2,463	4,456	4,181
Light, heat and water	2,631	-	2,631	2,767
Office costs	616	1,641	2,257	3,931
Repairs and maintenance	2,297	1,050	3,347	2,260
Donation to Sir Robert Kemp's Educational Foundation	-	2,768	2,768	2,768
Guildhall expenses	-	490	490	287
Shop stock	-	478	478	(92)
	<u>111,481</u>	<u>28,278</u>	<u>139,759</u>	<u>153,029</u>

In 2015, of the total direct costs, £15,603 was expenditure from unrestricted funds and £137,426 was from restricted funds.

7. GOVERNANCE COSTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Combined Total funds 2015 £
Accountancy fees	-	3,130	3,130	2,750
	<u>-</u>	<u>3,130</u>	<u>3,130</u>	<u>2,750</u>

In 2015 all governance costs were unrestricted.

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. NET INCOME/ EXPENDITURE

This is stated after charging:

	2016	Combined
	£	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	86,081	85,891
Accountants' fees for Independent Examination	1,000	1,000
Accountants' fees for Accountancy	2,130	1,750
Accountant's fees for Other Services	-	5,952
	<u><u> </u></u>	<u><u> </u></u>

The CIO considers its key management personnel to be the Trustees. All Trustees give their time and expertise without any form of remuneration or other benefit in kind (2015: £nil).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

9. TANGIBLE FIXED ASSETS

	Guildhall Renovation project £	Museum display costs £	Computer equipment £	Total £
COST				
At 1 April 2015	1,931,283	86,935	404	2,018,622
Additions	-	303	-	303
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	1,931,283	87,238	404	2,018,925
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1 April 2015	120,111	13,589	45	133,745
Charge for the year	77,248	8,698	135	86,081
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	197,359	22,287	180	219,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 March 2016	1,733,924	64,951	224	1,799,099
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
At 31 March 2015 (Combined)	1,811,172	73,346	359	1,884,877
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The Trust owns land and the Guildhall property, however the cost of these is unknown. During the Guildhall renovation project, the costs of renovating the building have been capitalised. This work was completed during 2013/2014 and therefore in accordance with the accounting policy, the asset is now being depreciated over 25 years. The original cost of the property and the land are not known and are not reflected in the financial statements.

The Heritage Lottery Fund provided a large majority of the funds for the renovation of the Guildhall and one of their grant conditions was that they be granted first charge over the property for a period of 25 years from 22 June 2010.

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2015	-
Surplus on revaluation	<u>250,000</u>
At 31 March 2016	<u><u>250,000</u></u>

A valuation was carried out by qualified individual within an independent firm, Bidwells LLP, after inspecting the property on 12 January 2016. Bidwells LLP have significant expertise in preparing land valuation calculations and dealing with land tenancy agreements in the local area.

Bidwells advised that the value of the freehold subject to secure Agricultural Holdings Act tenancy is £250,000

The land comprises 18.93 hectares (46.77 acres) of land situated in open countryside between the villages of Great Sampford and Finchingfield in the County of Essex. The land is divided into three parcels and is classified as Grade 3 and soils comprise boulder clays. All the land is cropped to winter cereals and would be suitable for the growing of cereals, oil seeds or pulses.

Finchingfield Guildhall CIO owns the freehold, which was transferred on 30 September 2015 from Finchingfield Guildhall Trust when the two entities merged. The land is let under a tenancy that continues from year to year subject to the Agricultural Holdings Act 1986.

11. STOCKS

	2016 £	Combined 2015 £
Retail stock items	<u>304</u>	<u>620</u>

12. DEBTORS

	2016 £	Combined 2015 £
Trade debtors	90	-
Other debtors	3,064	3,390
Prepayments and accrued income	514	334
	<u><u>3,668</u></u>	<u><u>3,724</u></u>

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	Combined
	£	2015
		£
Trade creditors	3,288	950
Other creditors	343	486
Accruals and deferred income	75,588	84,122
	<hr/> 79,219 <hr/>	<hr/> 85,558 <hr/>

Included within accruals above is £71,878 (net) payable to the renovation contractors for the retention and additional costs incurred. As noted in the Trustees' Report, the contractor has been placed into administration and there is a low expectation by the administrator of being able to claim outstanding sums, however the costs remains provided for in full within these financial statements until more information is known.

DEFERRED INCOME

	£
Deferred income at 1 April 2015	487
Workshop and bookings income received in advance	497
Amounts released from previous years	(487)
	<hr/>
Deferred income at 31 March 2016	497 <hr/>

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. STATEMENT OF FUNDS

	Brought Forward Combined £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Funds - all funds	19,601	35,058	(31,408)	(4,374)	250,000	268,877
RESTRICTED FUNDS						
Transition Fund	11,095	10,000	(25,519)	4,424	-	-
Renovation of Guildhall	1,791,357	-	(84,523)	-	-	1,706,834
Donation for shelving	-	50	-	(50)	-	-
Donation for Schools' Programme	-	1,000	-	-	-	1,000
Rectification fund	-	5,000	(1,439)	-	-	3,561
	1,802,452	16,050	(111,481)	4,374	-	1,711,395
Total of funds	1,822,053	51,108	(142,889)	-	250,000	1,980,272

The Renovation of the Guildhall fund represents all income received specifically for the renovation work on the property be it capital or revenue expenditure.

The Transition Fund represents money received from The Heritage Lottery Fund to support the cost of managing the Guildhall, developing new income streams and setting in place a resilient organisation for the future.

A donation was received during the year, which was to be spent on shelving. Shelving units were subsequently purchased during the year, therefore a transfer from the restricted fund has been made to reflect the cost of the asset.

A donation of £1,000 was received for the Schools' Programme. This programme had not been undertaken before the end of the year.

FINCHINGFIELD GUILDHALL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	1,787,882	11,219	1,799,101	1,884,876
Investment property	-	250,000	250,000	-
Current Assets	4,561	5,831	10,392	22,734
Creditors Due Within One Year	(71,878)	(7,343)	(79,221)	(85,557)
Inter-fund loan	(9,170)	9,170	-	-
	<u>1,711,395</u>	<u>268,877</u>	<u>1,980,272</u>	<u>1,822,053</u>

16. RELATED PARTY TRANSACTIONS

There were no related parties transactions during the year.

17. MERGER DETAILS

Finchingfield Guildhall, a Charitable Incorporated Organisation (CIO), was registered on 19 May 2014. Charitable status was also achieved on this date, with registered charity number 1157103.

Finchingfield Guildhall Trust (charity number 205016), the unincorporated entity, will be closed in due course, as a result of the creation of the Charitable Incorporated Organisation (CIO).

Under an asset transfer agreement, all the assets of The Finchingfield Guildhall Trust (unincorporated) were transferred to Finchingfield Guildhall (CIO) with effect from 30 September 2015. Finchingfield Guildhall (CIO) also agreed to discharge the liabilities of The Finchingfield Guildhall Trust as they fall due for payment.

The details below show the unincorporated charity's net assets at the date of transfer. The comparative figures shown in the SOFA for the prior year all relate to The Finchingfield Guildhall Trust (unincorporated) because the CIO was dormant during the year ended 31 March 2015.

FINCHINGFIELD GUILDHALL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

MERGER DETAILS (continued)

The net assets of the unincorporated charity were transferred on 30 September 2015 as follows:

	30 September 2015 £
Fixed assets	1,769,957
Stocks	620
Debtors, prepayments and accrued income	4,874
Cash at bank and in hand	21,155
Creditors, accruals and deferred income	(83,037)
	<hr/>
	1,713,569
	<hr/> <hr/>