

COMPANY NUMBER 5290088
CHARITY NUMBER 1109088

BERWICK UPON TWEED
COMMUNITY DEVELOPMENT
TRUST LIMITED

DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006



GREAVES WEST AND AYRE

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

BERWICK UPON TWEED

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED

COMPANY INFORMATION
REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees	Philip Miller Chairman Jennifer Hall Vice Chair Philip Stanbury Treasurer John Cowe Company Secretary Bernard Shaw Chris Anderson Died 1st June 2006 Chris Hardie Chris Shaw (from 13th July 2006) Jackie Scott (from 13th July 2006) John Robertson Resigned September 2006 John Stephenson (from 13th July 2006) Ian McGregor M B E Robert Leetham Ross Weddle Resigned March 2006 Simon Harwood (from 11th May 2006) Tony Houghton (from 13th July 2006)
Director of Business Activities	Carol Robinson
Company Number	5290088
Charity Number	1109088
Business Address and Registered Office	The William Elder Building 56-58 Castlegate Berwick Upon Tweed TD15 1JT
Auditors	Greaves West and Ayre Chartered Accountants & Registered Auditors 1/3 Sandgate Berwick Upon Tweed TD15 1EW
Bankers	Unity Trust plc Nine Brindleyplace 4 Oozeus Square Birmingham B1 2HB

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED

CONTENTS

	<u>Page</u>
Directors' and Trustees' Report	1 - 10
Auditors' Report	11-12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 - 22

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

This is the second Trustees' Annual Report for Berwick Community Development Trust and covers the year ending 31st December 2006. The Trust is a registered Charity and a Company Limited by Guarantee.

GOVERNANCE STRUCTURE AND MANAGEMENT

Governing document

Berwick-upon-Tweed Community Development Trust (BCDT) is governed by its Memorandum and Articles of Association dated 8th September 2004. The Trust is set up as an independent community group. Its purpose is to work on projects that meet the economic, social, environmental and cultural needs and aspirations of the communities of Berwick-upon-Tweed (Berwick, East Ord, Scremerston, Spittal and Tweedmouth).

Structure and Management

The Trust was incorporated in September 2004 and registered as a charity on the 18th April 2005. The Trust has 90 members and is run by a board of Trustees elected by the members at an AGM. There are currently 13 Trustees, who include a Chair, Vice-Chair, Treasurer and Company Secretary. The Trustees come from a range of business and voluntary backgrounds, offering a diversity of skills. The Trust is still developing areas of its operation such as a formal induction for Trustees, but a Trustee and staff training event has taken place in February 2007.

Membership is open to all who live or work in Berwick. We have provision for up to 100 members at present and the process is by simple application which is considered by the Board. All members must agree with the aims of the Trust and individual members must be over 18. Directors are drawn from the membership, being elected at an AGM or being appointed by the existing Directors to fill a vacancy. Appointed Directors hold office only until they can stand for election at an AGM. Directors answer to the membership at the AGM.

The Trust presently employs 3 full-time members of staff, a Director of business activities, a Project Manager and an Administration, Finance and Communications Officer. The Director took up post in June 2006, the two other posts commenced on 1st August 2006. Additionally, the Trust has employed a caretaker for 5 hours per week, primarily to ensure meeting rooms are suitably prepared and laid out for the varying requirements of building user groups on a daily basis.

The Director is responsible for day to day decision making, management of the staff team and ensuring that the work of the Trust is taken forward. The Chair of the Trust is responsible for the management of the Director.

Decisions affecting the overall direction of the Trust or those with significant financial implications are made by the full Board of Trustees. The usual process is for a written report or proposal to be presented to a Board meeting, often after discussion in a smaller working group made up of representatives from the Board and staff team. The decision is then recorded in the Board minutes with an action point for implementation.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

There are plans to review the structure of the organisation in 2007. This will include consideration of whether the Trust's staff structure is the most appropriate to deliver its core business. A review of the role of members and involvement of the wider membership will also be conducted. A working group of representatives of Trustees and staff has been examining all aspects of the Trust's internal and external communication with a view to developing a communications strategy.

Trustee responsibilities

A Trustee's main responsibility is to the Trust, directing its work to deliver the charitable outcomes for which it was set up, and ensuring that it is well-run and solvent. To do this, Trustees must be

- committed to the purpose of the Trust
- supportive of the values (and ethics) of the organisation
- able to make collective decisions and stand by them
- able to act reasonably and responsibly
- constructive about the opinions and contributions of others in meetings
- able to maintain confidentiality on sensitive and confidential information

Under Charity and Company law, the Trustees also have specific responsibilities relating to the finances of the Trust. They must prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of its financial activities for that year, together with its assets and liabilities at the end of the period, and adequately distinguish any material special Trust or other restricted fund of the charity. In preparing those 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 the policies adopted are in accordance with the SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards (UK Generally Accepted Accounting Practice), subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charity will continue in business

The Trustees, as Directors, are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity, and enable them to ensure that the financial statements comply with the Companies Act 1985, applicable Accounting Standards, the Statement of Recommended Practice and the regulations made under s44 of the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the provision and detection of fraud and other irregularities.

The financial statements are produced in accordance with applicable accounting standards and the Charity Statement of Recommended Practice (SORP), issued in March 2005. The accounts do comply with the governing documents of the charity.

So far as the Trustees, as Directors, are aware there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. The Directors have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

Management of risks

The Trust has completed its Health and Safety audit. The Trust endeavours to operate its business in an accountable manner and this is reflected by the adoption of comprehensive policies, the last few of which are in the final stages of development. Significantly, we have taken time over developing a Financial Procedures document to reflect the operational aspects of our financial management and the lines of responsibility. It was necessary to allow the roles of the staff team to become established and their working interaction with the Treasurer and Board to develop before this document could be drafted.

As the Trust is an employing body, it is important to ensure that it operates within employment law. Steps taken to ensure this happens include engaging an outside advisor, recommended through the Development Trust Association, to review and amend where necessary our key documents, namely staff contracts, grievance, disciplinary and sickness policies.

As part of the business planning process for The William Elder Building the Trust has reviewed its liabilities.

In common with most organisations, failure of our IT system would present a risk in terms of loss of data, including financial data. To guard against such risk, we have adopted off-site back-up systems and our IT equipment has anti-virus protection.

OBJECTIVES AND ACTIVITIES

The key objects of the Trust, as stated in our governing document, are

a) Hardship relief

To relieve persons who are in conditions of need, hardship or distress by reason of their social and economic circumstances

b) Housing

To provide or assist in the provision of housing accommodation for persons in conditions of need, poverty or distress, including those suffering from physical or mental disabilities, on terms appropriate to their means

c) Sickness relief

To relieve sickness and poverty

d) Education

To promote the advancement of education and learning, including training in skills relevant to securing employment

e) Arts

To advance public education in the arts

f) Recreation

To provide facilities for public recreation or other leisure time occupation in the interests of social welfare, with the object of improving their conditions of life

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

g) Buildings preservation

To preserve, repair and maintain for the benefit of the general public buildings of historical, architectural or constructional interest

h) Environment

To protect or conserve the environment and to advance the education of the public with particular reference to the protection of the environment

i) Other

To promote such other charitable purposes for the benefit of the public or sections of the public (including individual communities as defined by the geographical area in which they live or work or their ethnic origins) as the company shall see fit

ACTIVITIES WHICH CONTRIBUTE TO OBJECTIVES

The William Elder Building (Meets objectives Hardship relief, Sickness relief, Education, Other)
Since obtaining a two year lease on The William Elder Building in June 2005, the main focus for the first year was the refurbishment of the premises through a Home Office Change-Up grant and employment of a temporary Building Manager to facilitate this process

Taking up the option to buy The William Elder Building is vital to the Trust's financial sustainability. A stage one Big Lottery Community Buildings Programme application was completed in August 2006 and over 50 independent grant making Trusts were approached. Capital grants were awarded by ONE North East via NSP and Northern Rock Foundation. In March 2007 the Trust raised sufficient capital (£495,000) to purchase the building and contracts have been exchanged in April 2007.

The William Elder Building is a source of income for the Trust, generated through renting offices to a range of tenants, several with a community focus, and hiring rooms for meetings. We had 100% occupancy of the 8 offices for most of 2006 and often have to turn away enquiries for both office and meeting space. The building currently generates a gross income of just over £30,000. The size of the building and the rooms enables the Trust to accommodate a wide variety of uses. On 3 days per week, Age Concern holds a day centre for 15 older people, Sure Start runs sessions from here and Northstar, the Adult Training Centre has now opened a community café in the building. The Trust also contracts with Northstar to clean the building and these two social enterprises provide employment and training opportunities for up to 15 adults with learning difficulties. The Community Café can provide catering for meetings in the building as well as for building users and tenants.

An increasing range of organisations are booking meeting rooms at The William Elder Building, including Business Link which has run a number of training workshops.

The purchase of The William Elder Building has provided the Trust with its first major asset.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

The Border Green Festival (Meets objectives Arts, Recreation, Buildings protection, Education, Environment)

The second Border Green Festival took place in July 2006. The festival allowed a range of exhibitors and traders to promote activities and products that can lead to an environmentally more sustainable way of life. More than 2,000 people visited the festival, attending the display stands or participating in the activities and performances.

A modest surplus was carried forward from the Festival which will contribute to events in 2007.

Jazz and Blues Festival (Meets objectives Arts, Recreation)

The second Jazz Festival took place in September 2006 and was generally well attended and attracted good feedback. The festival introduced a wide range of people to new music and venues within Berwick, with the biggest event being fronted by local musicians. A major success was gaining £1,000 in private sponsorship from Blackshaws car dealers. The modest surplus carried forward from the Festival will again contribute to events in 2007.

Berwick Film and Media Arts Festival (Meets objectives Arts, Recreation)

As a follow up to the Film Festival in 2005, a mini event was held in December 2006. The Film Festival is now operated by an independently registered company, supported by the Trust. The next bi-annual major Film Festival will take place in 2007.

Museum Action Group (Meets objectives Recreation, Buildings preservation)

The Museum Action Group was formed in late 2006 in response to the threatened closure of the Berwick museum. The loss of the museum would have had a negative effect on Berwick's prosperity when heritage is so central to the culture of the town.

In addition to the Trust, the Museum Action Group includes representatives from

- The Friends of Berwick & District Museum and Archives
- Berwick Town Centre Partnership
- Berwick Borough Local Strategic Partnership (Culture & Heritage and Business & Enterprise Sector Boards)
- Berwick-upon-Tweed Civic Society
- Berwick-upon-Tweed Preservation Trust
- Co-opted personnel with relevant expertise

The aim was to secure the future of the Berwick-upon-Tweed Museum, while recognising the Council's need to save money, the issue of the future viability of the Barracks operated by English Heritage and the desire to sustain a Borough-wide museum service.

The group has recently been successful in proposing that the Council maintain the museum for a period of three years to allow a future management structure to be explored and established. The Group saw this as an opportunity to develop and enhance the current museum and general heritage provision. Representatives of the Trust will continue to be key members of the Museum Action Group and be proactive in its future.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

Berwick's Vision and future framework Steering group ('Master plan') (Meets all objectives)
Berwick-upon-Tweed Community Development Trust is the only member of the voluntary sector represented on the Steering group and the Trust hosts the Steering Group Co-ordinator post, from November 2006 to May 2007. This has been beneficial in ensuring that The Trust played a key role in the consultation process, which ran during January and February 2007. It is envisaged that the Trust will be a key partner in the implementation of the eventual phase 2, which will be informed by the consultations to detail future developments.

A condition of the core funding the Trust receives via Northumberland Strategic Partnership is that the Trust has a key role in the master-planning process.

Project Development (Meets objectives: Hardship relief, Housing, Sickness relief, Environment)

- **Renewable Energy Project**

The Trust has been pursuing for some time the possibility of placing a wind turbine near to the North Road industrial estate to sell to local electricity users, providing an income for the Trust in line with an environmentally sound approach.

North East Social Enterprise Partnership (NESEP) were looking for project partners to move forward renewable energy projects in the north east and to develop a model that might be shared with other community groups. They are keen to work with us in developing our project but would seek to take a stake in it based on the contribution of each organisation. This is likely to be a fifty/fifty split between us and them but will need to be agreed formally on the basis of contributions made and appropriate structures put in place.

We will provide the site, via our existing exclusivity agreement, and they will work to deliver the funding and access to a new 40 metre high (to hub) turbine. The intention would be to sell the power to the local community first and the grid as necessary.

Existing feasibility studies have been carried out regarding wind flow and geology at the site and these will need to be supported by a new study of energy and revenue generated by the Turbine type under discussion, which NESEP are seeking to organise.

- **Crematorium**

The Trust has been investigating the possibility of acquiring land to develop/operate a crematorium facility west of Berwick. At present the nearest facility is 56 miles away in Edinburgh or Blyth.

- **Spittal Road Train**

Spittal Improvement Trust (SIT) approached the Trust in July 2006 about a possible joint project to purchase and operate a road train vehicle to provide low cost transport between Berwick Holiday Camp/Train Station and Spittal Promenade, stopping at a number of locations on route with low cost all day hop-on/hop-off tickets. Detailed costs, specifications and business plans have been shared by Alnwick Development Trust and the idea could lead to an income stream for BCDT while assisting with the parking and traffic flow problems faced by Berwick. Further research will be required and a detailed survey of public opinion is planned, with the Trust matching SIT's investment on this project.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

SUMMARY OF ACHIEVEMENTS AND PERFORMANCE

Between January 2006 and December 2006 Berwick-upon-Tweed Community Development Trust achieved the following milestones

<i>Internal</i>	<i>Timing</i>	<i>External</i>
William Elder Building officially opened by Alan Beith MP 80% of the available space is filled	23 January 06	To summer 2006 - BCDT played a key role in facilitating the first Border Green Festival and first Berwick film and Media Arts Festival
Secured revenue funding package to employ a Director, Project Manager and Admin/ Finance Officer plus associated costs from Northumberland Strategic Partnership, (£100,000), Northern Rock Building Society, (£60,000), Berwick-Upon-Tweed Borough Council (£5,000) matched with £62,981 of Trust income from the William Elder Building for two years	March 06	It also took the lead in organising the Berwick Jazz, Blues and Gospel festival. In each case, the events generated income which has been reinvested this year
William Elder Building has 100% occupancy	April 06	
Recruitment of the three new posts is completed	July 06	Second Borders Green Festival (2 July)
Application to Big Lottery Community Buildings Fund completed	August 06	
Business plan reviewed	September 06	Second Jazz Festival (1-3 September)
Capital funding application to The Northern Rock Foundation completed	December 06	Mini Film Festival

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

PLANS FOR FUTURE DEVELOPMENT

In early 2007, a planning and development day for Trustees and Staff was held, with the following goals being set

<i>Internal</i>	<i>External</i>
Project rationalisation Establish a project and strategic planning working-group to work on the detail and present potential project proposals to the full Board for approval	"Master Plan" delivery Continue to represent the community on the Steering Group and initiate project delivery wherever possible
Small hits / Quick wins Identify potential projects that would have an immediate impact on local community spirit while increasing the profile and funds of the Trust	William Elder Building Establish a Committee of Trustees and staff to ensure the potential of the William Elder Building is maximised
Identify ways of involving the community Co-opt members from other community groups with relevant knowledge onto working-groups with particular attention paid to the involvement of younger people	Renewable Energy The following timetable was set 3 months final feasibility study completed 6 months Feedback from funders 6-12 months Form a trading subsidiary with CORE 12 months Funding in place 18 months- 2years Construction and income stream begins
Organisation Review the organisation structure of Trustees and staff to ensure appropriate and adequate resources are available	Run the Borders Green Festival - 8 July 2007 In addition, a funding application has been submitted to the Community Foundation to employ a part time worker for 3 years to carry out educational work on environmental and 'green' issues and support the planning of the Border Green festival
Investigate ways to increase our revenue earning capacity Such as Acting as an employing body for project staff who are independently funded Identifying projects generating a surplus Providing services/ goods to the town	

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

FINANCIAL REVIEW

Results for the year

The overall income of the Trust during the period was £181,423 with expenditure on charitable objectives at £145,617. The principal funding sources are shown in notes 2 and 3 of the accounts. Although grants and donated income was down on the previous year, this was compensated for by rental income from the William Elder Building.

Expenditure on activities to meet the objectives of the Trust is shown in note 6 to the accounts and in the detailed fund accounts. As overall costs were contained this year, the Trust made a larger surplus than in its first year of activity, with closing balances of £51,779 (2005 - £15,973). The various festivals were again all well supported by grants, donations and fund raising activities, each covering the costs with income. Any surpluses from these and other activities are held for future similar events.

Unspent unrestricted funds designated by the Board for specific projects are outlined below.

Funds and reserves policy

The Trust's accounting policy for funds is set out in note 1.4 to the accounts.

Funds received from awarding bodies with specific restrictions, or donations with donor requests, are spent against the projects for which they were given. These reserves do not generally build up as are given for specific activities and purposes during the period. Restricted reserves stand at £26,532, being Core Funding monies yet unspent. These funds are restricted to certain running costs of the Trust, with matched funding from unrestricted funds.

Funds designated for specific projects have been allocated by Trustees. The various festival activities over the past two years have largely been funded in this way. Small surpluses are carried forward to fund further activities of this nature. During the year further unrestricted income was designated for specific projects and approved by the Board as follows:

£	
11,250	To match Core Funding income against restricted expenditure
11,250	For the purchase of the William Elder Building in 2007
10,000	Earmarked for the Projects Development Fund - for future projects
924	To fund shortfalls in existing projects

33,424	
=====	

The Trustees will be looking at ways to build up reserves from fund raising and other activities to ensure that contributions can be made to any project where expenditure is not fully met by grants or other external funding. Although the strategy is to continue to build reserves through planned operating surpluses, Trustees are aware that a set target might not be reached for some years. In the short term, therefore, they have considered the extent to which existing activity and expenditure could be reduced or stopped.

Unspent unrestricted funds amounting to £1,252 are held within general reserves for future charitable expenditure.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
DIRECTORS' AND TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

Employees and Volunteers

Finally, but not insignificantly, there is the work the Trust Directors have put in during the year, and not just on the projects described above. There has also been a lot of further work carried out to make the Trust an efficient organisation. Working together as an effective team is in itself a significant achievement.

The Trustees would like to acknowledge the support and assistance given to the Trust by paid staff, contractors and the many volunteers.

Auditors

In accordance with Section 385 of the Companies Act 1985, and a resolution to re-appoint auditors of the Trust will be put to the Annual General Meeting.

Exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 15th May 2007

And signed on its behalf by


Company Secretary
On behalf of the Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED

We have audited the financial statements of Berwick upon Tweed Community Development Trust Ltd for the year ended 31st December 2006 which comprise the Balance Sheet, the Statement of Financial Activities, detailed Income and Expenditure accounts and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Trust's members, as a body, in accordance with Section 235 of the Companies Act 1985 and in accordance with the Charities Act 1993. 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

As described in the Statement of Directors' Responsibilities, the Company's Trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Trust has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

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

Basis of 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 judgements made by the Trustees in the preparation of the financial statements, and whether the accounting policies are appropriate to the Trust'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.

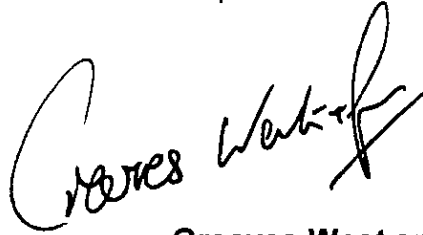
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED

Opinion

In our opinion the financial statements give a true and fair view

- in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and
- of the state of the Trust's affairs as at 31st December 2006 and of its surplus for the year then ended,

and have been properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993



**Greaves West and Ayre
Chartered Accountants and
Registered Auditors
Berwick upon Tweed**

DATE: 16th Aug 2007.

BERWICK UPON TWEED
COMMUNITY DEVELOPMENT TRUST LTD
YEAR ENDED 31ST DECEMBER 2006

Statement of Financial Activities

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2006 £	2005 £
Incoming resources						
Voluntary income - grants and donations	2	6,697	-	127,825	134,522	188,629
Activities for generating funds	3	43,098	3,803	-	46,901	11,926
Investment income	3	-	-	-	-	-
From other charitable activities		-	-	-	-	-
Total incoming resources		49,795	3,803	127,825	181,423	200,555
Resources expended						
Costs of generating voluntary income		-	-	-	-	-
Fundraising trading costs	5	-	2,030	-	2,030	6,946
Investment Management costs		-	-	-	-	-
Charitable activities	6	18,027	4,282	117,473	139,782	173,261
Governance costs	7	1,250	-	2,555	3,805	4,375
Total resources expended		19,277	6,312	120,028	145,617	184,582
Net Incoming Resources		30,518	(2,509)	7,797	35,806	15,973
Gross transfers between funds		(923)	-	923	-	-
		(32,500)	21,250	11,250	-	-
Total Funds brought forward at 31 Dec 2005		4,157	5,254	6,562	15,973	-
Total Funds carried forward at 31 Dec 2006		1,252	23,995	26,532	51,779	15,973

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2006

<u>2005</u> £	<u>Notes</u>	<u>2006</u> £	<u>£</u>
-	Fixed Assets		-
	Current Assets		
41,014	Debtors 11	20,659	
20,502	Cash at bank and in hand	44,266	
<u>61,516</u>		<u>64,925</u>	
	Creditors : Amounts falling due within one year 12	<u>(13,146)</u>	
(45,543)			
<u>15,973</u>	Net Current Assets		<u>51,779</u>
<u>15,973</u>	Total Assets Less Current Liabilities		<u>51,779</u>
	Represented by		
4,157	Unrestricted funds 13		1,252
5,254	Designated funds 13		23,995
6,562	Restricted funds 13		26,532
<u>15,973</u>	Total Funds		<u>51,779</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board on 15th May 2007.

And signed on its behalf by



Philip Miller, Chairman



Philip Stanbury, Treasurer

The notes on pages 15 to 22 form an integral part of these financial statements.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, issued in March 2005

1.2. Incoming resources

The income for the charitable company has been derived from its activities wholly undertaken in the UK

All incoming resources are included in the Statement of Financial Activities (the SoFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the SoFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts
- Incoming resources from charitable trading activities are accounted for when earned
- Investment income, where appropriate, is included when receivable

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

1.3. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the trust

1.4. Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity
- Designated funds are unrestricted funds, allocated by the trustees for particular purposes
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost, less residual value of each asset over its expected useful life, as follows

Office Equipment	- 25% Straight Line
Other Equipment	- 25% Straight Line

Property improvement expenditure, which has been grant funded, has been written off as incurred as the Trust does not own the property and only had a very short leasehold interest in it.

Capital items purchased for one off events, with limited use or value after these events, are fully written off at the end of the event.

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

2. Voluntary income : Grants and donations

	<u>Restricted</u>	<u>Designated/ Unrestricted</u>	<u>2006</u>	<u>2005</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Culture 10	-	-	-	27,500
Northumberland County Council	3,000	-	3,000	22,500
Northern Rock Foundation	30,000	-	30,000	-
Arts Council	-	-	-	40,876
Community Foundation	2,050	-	2,050	2,531
ChangeUp	39,201	-	39,201	57,832
Northumberland Strategic Partnership	43,174	-	43,174	-
Northern Film and Media	800	-	800	7,200
Homefront	-	-	-	10,000
Berwick Borough Council	8,200	1,500	9,700	4,000
Blackshaws Garage	1,000	-	1,000	-
Other sponsorship/ donations	400	5,197	5,597	16,190
	<u>127,825</u>	<u>6,697</u>	<u>134,522</u>	<u>188,629</u>

3. Other income

	<u>Restricted</u>	<u>Designated/ Unrestricted</u>	<u>2006</u>	<u>2005</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Activities for generating funds				
- Programme and ticket sales	-	3,151	3,151	6,318
- Fundraising income	-	652	652	655
- Rentals	-	32,424	32,424	4,953
- Service charges	-	10,674	10,674	-
	<u>-</u>	<u>46,901</u>	<u>46,901</u>	<u>11,926</u>

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

4. Resources by activity

Fund	Balance at 31/12/05 £	Incoming Resources in year	Expenditure in year	Transfers at end of year	Balance at 31/12/06 £	Total Restricted £	Total Designated £	Total Unrestricted £
Film Festivals	5,800	800	(6,600)	-	-	-	-	-
Designated	2,190	-	(1,678)	-	512	-	512	-
Green Festivals	262	5,150	(5,412)	-	-	-	-	-
Designated	1,225	2,201	(2,779)	-	647	-	647	-
Music Festivals	-	1,500	(1,500)	-	-	-	-	-
Designated	1,839	1,602	(1,855)	-	1,586	-	1,586	-
Renewable Energy Project	500	-	(647)	147	-	-	-	-
Premises Revenue	-	4,932	(5,128)	196	-	-	-	-
Premises Capital	-	34,269	(34,849)	580	-	-	-	-
NSP Core Funding	-	81,174	(65,892)	11,250	26,532	26,532	-	-
Premises Purchase	-	-	-	11,250	11,250	-	11,250	-
Projects Fund	-	-	-	10,000	10,000	-	10,000	-
Premises Service Charge	-	10,674	(10,674)	-	-	-	-	-
General Fund	4,157	39,121	(8,603)	(33,423)	1,252	-	-	1,252
	15,973	181,423	(145,617)	-	51,779	26,532	23,995	1,252

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

5. Fundraising costs

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>2006 Total</u>	<u>2005 Total</u>
	£	£	£	£
Catering	-	-	-	1,101
Administration	-	2,030	2,030	5,845
	<u>-</u>	<u>2,030</u>	<u>2,030</u>	<u>6,946</u>

6. Expenditure on charitable activities

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>2006 Total</u>	<u>2005 Total</u>
	£	£	£	£
Equipment	24,004	-	24,004	21,920
Production costs	8,300	2,210	10,510	71,181
Venue hire	588	36	624	3,615
Programmes and advertising	2,470	-	2,470	3,497
Repairs and refurbishment	15,422	2,948	18,370	41,671
Rent and service charges	1,058	13,279	14,337	-
Direct admin costs	65,631	3,836	69,467	31,977
	<u>117,473</u>	<u>22,309</u>	<u>139,782</u>	<u>173,861</u>

7. Other costs

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>2006 Total</u>	<u>2005 Total</u>
	£	£	£	£
Governance	2,555	1,250	3,805	4,375
Investment management	-	-	-	-
	<u>2,555</u>	<u>1,250</u>	<u>3,805</u>	<u>4,375</u>

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

8. Staff costs and numbers

The average number of staff employed during the year, based on a full time equivalent was	<u>2006</u> <u>Number</u>	<u>2005</u> <u>Number</u>
Project work	2 5	0 42
	<u>2006</u> <u>£</u>	<u>2005</u> <u>£</u>
Direct staff costs	50,540	7,974
Employers National Insurance costs	6,002	1,100
	<u>56,542</u>	<u>9,074</u>

The cost of volunteers is not accounted for in these accounts

9. Trustee remuneration and related party transactions

No trustees received any remuneration during the year and no expenses were reimbursed

Costs of printing amounting to £700 (2005 £4,982) incurred by the Charity were paid to Martins the Printers and to HB Print, the businesses of Chris Hardie, one of the Trustees
No amounts were owed to Martins the Printers at the year end (2005 nil) £200 was due to HB Print at the year end (2005 nil)

10. Taxation

As a Charity the Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects No tax charges have arisen in the charity

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

11. Debtors

	<u>2006</u>	<u>2005</u>
	£	£
Grant debtors	19,336	40,651
Other debtors	1,323	-
Prepayments and accrued income	-	363
	<u>20,659</u>	<u>41,014</u>

12. Creditors : Amounts falling due within one year

	<u>2006</u>	<u>2005</u>
	£	£
Trade creditors	2,962	35,337
Other taxes and social security costs	2,429	553
Accruals and deferred income	7,755	9,653
	<u>13,146</u>	<u>45,543</u>

13. Analysis of net assets between funds

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Tangible Fixed Assets	-	-	-	-
Current Assets	2,293	31,116	31,516	64,925
Current Liabilities	(1,041)	(7,121)	(4,984)	(13,146)
Net Assets at 31st Dec 2006	<u>1,252</u>	<u>23,995</u>	<u>26,532</u>	<u>51,779</u>

14. Ultimate controlling party

The company is controlled by the directors, as Trustees

BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

15. Capital Commitment

The Trust has been developing offices in Castlegate, Berwick-upon-Tweed This is grant funded, at the date of the balance sheet the works were complete (2005 £38,268 to complete)

16. Audit and accountancy

Greaves West and Ayre provides accountancy and audit services for the Trust The audit fee was £2,175 plus VAT Other accountancy and advisory services were undertaken free of charge - £1,250 donation (2005 £3,200)

FILM FESTIVALS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

£
Restricted

£
Unrestricted
(Designated)

£
Total

£

Income

45,000	Northumberland County Council	-	-	-
39,076	Arts Council	-	-	-
10,000	Homefront	-	-	-
7,200	Northern Film and Media	800	-	800
2,531	Community Foundation	-	-	-
1,000	Berwick Borough Council	-	-	-
2,000	Donations	-	-	-
3,541	Sponsorship	-	-	-
2,930	Ticket sales and Programme sales	-	-	-
		<u>800</u>	<u>-</u>	<u>800</u>

113,278

800

Expenditure

2,400	Rent	1,300	700	2,000
1,479	Insurances	-	-	-
3,911	Repairs and cleaning	-	-	-
12,899	Equipment	-	-	-
24,609	Production costs	4,265	-	4,265
36,871	Subcontractors and professional staff costs	100	-	100
2,727	Venue hire	-	-	-
4,944	Programme and catalogue expenses	-	-	-
540	Catering	-	-	-
1,250	Advertising and website	660	-	660
7,501	Postage, stationery and telephone	275	513	788
1,443	Travel expenses	-	-	-
200	Sales commission (Maltings)	-	-	-
4,514	General administration expenses	-	465	465
		<u>6,600</u>	<u>1,678</u>	<u>8,278</u>

105,288

8,278

7,990 **(Deficit)/Surplus For The Year**

(7,478)

- Surplus brought forward

7,990

7,990 Surplus in fund at 31st December 2006

512

MUSIC FESTIVALS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

		£	£	£	£
		<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	
			<u>(Designated)</u>		
	Income				
5,000	Northumberland County Council	-	-	-	
1,000	Berwick Borough Council	500	-	500	
1,800	Arts Council	-	-	-	
750	Jazz Action	-	-	-	
-	Sponsorship	1,000	-	1,000	
2,818	Tickets and Programmes	-	1,602	1,602	
		<u>1,500</u>	<u>1,602</u>	<u>3,102</u>	
11,368					3,102
	Expenditure				
799	Insurances	-	-	-	
588	Equipment	-	-	-	
4,940	Production costs	1,500	1,562	3,062	
300	Venue hire	-	-	-	
561	Catering	-	-	-	
367	Police attendance	-	-	-	
1,761	Postage, stationery and telephone	-	-	-	
-	Advertising and website	-	294	294	
213	General administration expenses	-	-	-	
		<u>1,500</u>	<u>1,856</u>	<u>3,356</u>	
9,529					3,356
1,839	(Deficit)/Surplus For The Year				(254)
-	Surplus brought forward				1,839
1,839	Surplus in fund at 31st December 2006				<u>1,585</u>

GREEN FESTIVALS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

£

£

£

£

Restricted

Unrestricted
(Designated)

Total

Income

2,969	Area of Outstanding Natural Beauty	-	-	-
2,000	Berwick Borough Council	2,700	-	2,700
800	Sponsorship	-	-	-
-	Community Foundation	2,050	-	2,050
955	Donations	400	-	400
975	N N P A	-	-	-
280	Stall rental	-	410	410
217	Fundraising income	-	242	242
158	Catering	-	-	-
365	Ticket sales and Programme sales	-	1,071	1,071
205	Programme adverts	-	478	478
		<u>5,150</u>	<u>2,201</u>	<u>7,351</u>

8,924

7,351

Expenditure

60	Repairs and cleaning	-	-	-
5,045	Equipment	3,887	-	3,887
470	Production costs	495	2,160	2,655
588	Venue hire	588	36	624
-	Catering	-	13	13
-	Insurances	442	158	600
402	Advertising and website	-	135	135
580	Postage, stationery and telephone	-	-	-
252	Travel expenses	-	-	-
40	General administration expenses	-	277	277
		<u>5,412</u>	<u>2,779</u>	<u>8,191</u>

7,437

8,191

1,487 **(Deficit)/Surplus For The Year**

(840)

- Surplus brought forward

1,487

1,487 Surplus in fund at 31st December 2006

647

RENEWABLE ENERGY PROJECT
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

£

£

	Income		
500	Renewable energy - grant (restricted)		-
	Overhead Expenses		
-	Professional fees	294	
-	Exclusivity agreement	353	
			<u>647</u>
500	(Deficit)/Surplus For The Year		<u>(647)</u>
-	Surplus brought forward		500
-	Transfer from general fund		147
500	Surplus in fund at 31st December 2006		<u><u>-</u></u>

PREMISES RESTRICTED REVENUE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04
to
31/12/05
£

		£	£	£	£
		<u>Restricted</u>	<u>Unrestricted</u> <u>(Designated)</u>	<u>Total</u>	
	Income				
14,268	ChangeUp	4,932	-	4,932	
		<u>4,932</u>	<u>-</u>	<u>4,932</u>	
14,268					4,932
	Expenditure				
9,074	Wages and NI cost	5,462	-	5,462	
2,166	Heat and light	1,444	-	1,444	
800	Rent	-	-	-	
528	Rates	-	-	-	
273	Insurances	306	-	306	
233	Repairs and cleaning	25	-	25	
-	Catering	170	-	170	
-	Advertising and website	21	-	21	
400	Sundry expenses	177	-	177	
794	Postage, stationery and telephone	411	-	411	
		<u>5,128</u>	<u>-</u>	<u>5,128</u>	
14,268					5,128
-	(Deficit)/Surplus For The Year				(196)
-	Surplus brought forward				-
-	Transfer from unrestriced funds				196
-	Surplus in fund at 31st December 2006				<u>-</u>

PREMISES RESTRICTED CAPITAL FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

£

£

Income

43,564 ChangeUp

34,269

Expenditure

36,867 Refurbishment

15,250

3,388 Equipment

17,977

2,272 Professional fees

1,293

933 Postage, stationery and telephone

329

104 General administration expenses

-

43,564

34,849

- **(Deficit)/Surplus For The Year**

(580)

- Surplus brought forward

-

- Transfer from unrestricted funds

580

- Surplus in fund at 31st December 2006

-

CORE FUNDING (RESTRICTED)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	£	£
Income		
Northumberland County Council		3,000
Berwick Borough Council		5,000
Northern Rock Foundation		30,000
Northumberland Strategic Partnership		43,174
		<hr/> 81,174
Overhead Expenses		
Wages and NI cost	50,560	
Rent	2,482	
Insurances	512	
Repairs and cleaning	172	
Equipment	2,140	
Professional fees	1,298	
Advertising and website	1,810	
Service Charges - W E Building	1,058	
Postage, stationery and telephone	1,925	
Travel expenses	750	
General administration expenses	591	
Bank charges	39	
Audit	2,555	
	<hr/>	65,892
Surplus For The Year		<hr/> 15,282
Surplus brought forward		-
Match funding requirement (transferred from unrestricted funds)		11,250
Surplus in fund at 31st December 2006		<hr/> <hr/> 26,532

GENERAL FUND (UNRESTRICTED)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

18/11/04

to

31/12/05

£

£

£

Income

500	Berwick Borough Council	1,500
3,953	Rental income	32,424
-	Other income	100
3,200	Donations	4,847
1,000	Administration fee	-
-	Online filing credit	250
<u>8,653</u>		<u>39,121</u>

Overhead Expenses

-	Staff costs	520
-	Rent	867
-	Insurances	321
-	Service Charges - W E Building	4,853
-	Postage, stationery and telephone	581
3,200	Accountancy support and advice (donated)	1,250
1,175	Audit (core funding in 2006)	-
121	General administration expenses	10
-	Donations	200
<u>4,496</u>		<u>8,602</u>

4,157	Surplus For The Year	30,519
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-	Surplus brought forward	4,157
-	Transfers - to other funds	(12,174)
-	Designated - for general projects	(10,000)
-	Designated - for building purchase	(11,250)

<u>4,157</u>	Surplus in fund at 31st December 2006	<u>1,252</u>
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SERVICE CHARGES (UNRESTRICTED)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	£	£
Income		
Service charges		10,674
Overhead Expenses (all recovered)		
Heat and light	5,673	
Rates	1,061	
Insurances	992	
Repairs and cleaning	2,948	
	<hr/>	
		10,674
Surplus For The Year		<hr/> <hr/>