

COMPANY NUMBER 5290088  
CHARITY NUMBER 1109088

**BERWICK UPON TWEED**  
**COMMUNITY DEVELOPMENT**  
**TRUST LIMITED**

**DIRECTORS' REPORT AND**  
**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2012**



**GREAVES WEST AND AYRE**

**CHARTERED ACCOUNTANTS**

**BERWICK UPON TWEED**

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**

**COMPANY INFORMATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Ian Pope Chair Peter Watts Resigned November 2012 Jane Pannell Treasurer Bernard Shaw Chris Shaw Vice Chair Alan Bowlas Alan Ainslie Jenny Crawford Jan Casson
Chief Executive Officer	Julien Lake
Company Number	5290088
Charity Number	1109088
Accountants	Greaves West and Ayre Chartered Accountants 1/3 Sandgate Berwick upon Tweed TD15 1EW
Business Address and Registered Office	The William Elder Building 56-58 Castlegate Berwick Upon Tweed TD15 1JT
Bankers	Unity Trust plc Nine Brindleyplace Birmingham B1 2HB
Solicitors	Adam Douglas and Sons 49-51 Bridge Street Berwick Upon Tweed TD15 1ES

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**

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**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**  
**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

**CHAIRMAN'S OPENING STATEMENT**

This is the eighth annual Trustees' Report for the Berwick Community Trust and covers the calendar year 2012. It has been a year of steady progress for the Trust despite continuing to face challenging operating circumstances as public sector partners face reorganisation and budget cuts while third sector partners struggle to ensure their viability and sustain their impact.

The Trustees Report serves two main purposes, to report to our members and stakeholders on how we are working to make our vision a reality and to show to the Charity Commission that we fulfill our charitable purpose, which in our case is what contribution we make to the lives of our beneficiaries, the people of Berwick and the surrounding areas.

Our activities contribute to our beneficiaries in two ways:

- (i) Directly by investing in projects or enabling service delivery, for example, our childcare activities
- (ii) Indirectly, by trading and generating a financial surplus to spend on services for residents

**Our Mission**

*To make Berwick-upon-Tweed a prosperous, vibrant community where all generations want to live, work and play*

**Resources**

The rapid decline in our traditional sources of funding was anticipated but happened more quickly than we expected. We have made changes to our structure and acted to reduce costs resulting in a much diminished dependence on grant funding to sustain core operations and a greater proportion of our funding now comes from trading or contract activities. This process of tight financial control continues but once income from our wind turbine project begins in August 2013 the Trust will be able to look actively to the future knowing that additional long term income is secured.

The Trust has been successful in securing additional grant funding during 2012 but finds itself having to apply to new funds in much more competitive environments and opportunities to earn income will be central to increasing our future impact.

**Community Impact**

Through 2012 the Trust sought to increase its social impact and maintained its involvement in the provision of child care in Berwick and Wooler which has been further consolidated with additional recruitment in Amble and Alnwick. Our Play Outreach Project was launched during the year to provide valuable opportunities for guided play for 96 children per week and we also launched a drop in service for our older residents, the Elder Gems.

Our work to support job seekers has evolved very considerably during the year with the Reach project coming to an end as government funding was withdrawn but at the very end of the year we were able to initiate a new project Here for You to provide employment support and training.

The Trust pursued a number of other initiatives during 2012, some of which have come to fruition in the early part of 2013, and others which are still being developed. This includes

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- Support and counselling for those suffering from substance abuse
- A retail incubator to enable new retail businesses a start-up space with much lower overheads than associated individual shop premises
- An indoor soft play venue to add value to the town's tourism offer
- Enhancements to the William Elder Building

### **Environmental Sustainability**

The Trust remains committed to enhancing the sustainability of its own work and of Berwick as a town. This work takes the form of direct renewable energy installations and education and behaviour change work such as the Low Carbon Berwick project.

Our wind turbine project will be completed in the summer of 2013 and with the completion of work to install solar pV panels to schools and community buildings in and around Berwick we are already making a significant contribution to Berwick's energy needs. Work on the Low Carbon Berwick project will complement this electricity generation by taking action on fuel poverty and facilitating the development of a Low Carbon Strategy for the town.

### **Relationships**

The Trust believes that its impact is maximised by working in partnership with other bodies. In 2012 the Trust has continued to be an active member of the Berwick's Future partnership. Arch, the county council's development company, now leads the work of the partnership and has formulated a plan for delivery across Berwick. The Trust sees Arch as a key partner for the future and is actively looking to develop this relationship.

During the year the Trust was able to draw together a large number of individuals from across the town in response to the Mary Portas report and government funding and this led to a successful grant application and an award for Berwick of £100,000. An independent Town Team has now been formed and the Trust continues to work with this group to develop projects to regenerate the town centre and economy.

The ability of the Trust to stay well informed and exert influence is central to its success and relationships are at the heart of this. Strengthening our ties and building mutual understanding with Arch, the Town Team and the Town Council have been important to us in 2012 and will be priorities for the future.

### **Future Direction**

The Trust has now completed a strategic planning exercise resulting in a refreshed Strategic Plan, is building relationships to maximise its impact and will soon have a degree of financial sustainability previously unavailable to it. 2012 has been a difficult but productive year and we now look forward to the future with considerable encouragement and optimism.



Ian Pope  
Chair of Directors / Trustees

## **BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2012**

This is the eighth Trustees' Annual Report for Berwick Community Trust and covers the calendar year 2012 which is also the Trusts financial year

#### **STRUCTURE AND MANAGEMENT**

Berwick Community Trust (BCT) is a Company Limited by Guarantee established by Memorandum and Articles of Association dated 8<sup>th</sup> September 2004 and registered as a charity on the 18th April 2005

BCT Membership is open to all who live or work in Berwick upon Tweed with 85 individuals or organisations currently registered. Directors/Trustees are elected from the membership at the AGM and serve on a board that oversees the Trust's work and manages its affairs. The Directors/Trustees elect a Chair, Vice-Chair and Honorary Treasurer. Currently BCT has 8 Directors/Trustees. These Directors/Trustees come from a range of business and voluntary backgrounds and offer a broad diversity of skills and experience.

Where board vacancies arise in between General Meetings the existing Directors/Trustees may appoint individuals to fill the vacancy and such appointed Directors/Trustees then hold office until the next AGM where they stand for election. Following appointment, Directors/Trustees are given briefings and induction training on the workings of the Trust and on their responsibilities.

BCT presently employs 28 members of staff and these consist of a core team of a full time Chief Executive, part time Project Officer, Finance Officer and Cleaner. 17 Childcare Staff working with Sure Start are employed through a contract we currently hold with the County Council and there are a further 7 part time staff who work on the Play Outreach Project.

The Chief Executive is responsible for day to day decision making, management of the staff team and ensuring that the agreed work programmes are followed. The Chief Executive reports to the Chair, who acts as line manager and reports to the Board.

Decisions affecting BCT's overall direction or those with significant financial implications are made at regular board meetings.

#### **GOVERNANCE**

##### **Director/Trustee Responsibilities**

A Director's/Trustee's main responsibility is to direct work to deliver the charitable outcomes for which BCT was set up, ensuring that it is well-run and securing its solvency. To do this, Directors/Trustees must be

- committed to BCT's purpose.
- supportive of its values (and ethics)
- 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

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Under Charity and Company law, the Directors/Trustees also have particular responsibilities relating to the finances of the Trust. Specifically, they must prepare financial statements for each financial year. These statements must give a true and fair view of the state of the affairs of the Trust and of its financial activities for that year, detail its assets and liabilities at the end of the period and adequately distinguish any material Trust, special Trust or other restricted fund of the Trust. In preparing those financial statements the Directors/Trustees are required to

- select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, 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 Trust will continue in business

The Trustees, as Directors, are responsible for keeping proper accounting records. These records must disclose with reasonable accuracy the financial position of the Trust at any time and enable the Directors/Trustees to ensure that the financial statements comply with the requirements of the Companies Act 2006. The Directors/Trustees are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the provision and detection of fraud and other irregularities.

The Directors/Trustees of the Trust must, in determining how amounts are presented within items in the balance sheet and its incoming resources and application of resources, have regard to the substance of the reported transaction or arrangements, in accordance with United Kingdom Generally Accepted Accounting Practice.

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP), issued in March 2005, updated in 2008, the special provisions relating to small companies within S419(2) Part 15 of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008). The accounts do comply with the governing documents of the Trust.

So far as the Trustees, as Directors, are aware there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware. The Directors/Trustees 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 charitable company's auditors are aware of that information.

### **Management of Risks**

The Trust undertook an assessment of risks in 2011 and its business plan and policies were developed to reflect and respond to the issues identified. The principal risks the Trust faces are those arising out of its ownership and operation of The William Elder Building, the reduced availability of grant funding and from its role as an employer. These risks continue to be monitored on a regular basis.

Secondary risks in respect of business interruption and data loss may be associated with damage or loss of access to the William Elder Building or IT failures and the Trust has developed systems for offsite back-ups of data and continuity of business.

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**TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2012**

**OBJECTIVES**

The Trust's objective has been refined over time and experience and is

Our purpose is to identify, develop and manage social, environmental and economic projects for the general public benefit of residents, businesses and visitors to Berwick upon Tweed and surrounding areas

The Trust is further committed to

Berwick Community Trust will be a high profile sustainable, trusted and innovative membership organisation

We will work in partnership with the community to deliver diverse, active projects including learning, employment, training and business opportunities that support the vision for Berwick's future

All operational activities are focused upon the benefits that they can bring to the residents, businesses and visitors to the Berwick area and mostly determine what work we will do as set out in our business plan

Much of the Trust's work is directed at supporting and developing the local community through a range of initiatives specifically focusing upon the development of social enterprises in order to ensure long term economic sustainability of both the Trust and community initiatives

**Social Impact**

The Trust exists to provide services, and improvements to the quality of life, for the residents, businesses and visitors of Berwick upon Tweed and surrounding area. All profits generated through our economic activities are reinvested back into the community, reinvestment that enables us to further develop our range of services

Alongside this reinvestment, we receive grant funding from various bodies to support various aspects of our work. Our funded programmes are designed to meet our aims and objectives and maximise the positive impact we have on the quality of life for the community

As an organisation that is run by the community for the benefit of the community we wish to encourage all levels of stakeholder involvement. Our Directors/Trustees are all members of the local community and everyone who lives, works or plays a part in the community is welcome to become a member of BCT. Membership entitles people to vote on issues relating to BCT at the AGM, including electing Directors/Trustees

**Public Benefit**

The Directors/Trustees have complied with the duty in section 4 and 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In accordance with the charitable objectives the Trust continues to develop and promote projects with the aim of advancing community development in Berwick upon Tweed and the surrounding area and providing community facilities. These projects provide local people with opportunities for training, employment or with improved facilities for recreation at minimal cost



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**Keys to Success**

BCT aims to make a real difference to the quality of life and experiences of residents, businesses and visitors in and around Berwick-upon-Tweed. It believes that it cannot do so in isolation and that in order to succeed it needs to

- 1 Be actively engaged in the delivery of future proposals for the development of the area
- 2 Be regarded as a key partner by public, private and voluntary sector organisations whilst retaining its independence
- 3 Be seen to be working in partnership with community amenity groups
- 4 Reduce reliance on external funding to meet core costs by developing further income generating projects
- 5 Maintain active support from members of the local community, all levels of local councillors, and local, regional and national governmental officers

**REVIEW OF ACTIVITIES FOR 2012**

In order to achieve its aims the Trust has adopted a strategy of working in close partnership with other local and regional organisations to initiate social enterprises and grant funded projects. Activities are selected on their likely contribution to the building of wealth, employment, cultural or life opportunities for residents of Berwick upon Tweed and its surrounding communities.

The degree to which any potential activity is likely to contribute to the long term sustainability of BCT or the agendas to which we and our partners have already committed are also important factors in selecting activities. Currently our relationship to Berwick Town Council and the "Berwick's Future" regeneration initiative are important influences in activity determination.

Activities undertaken this year in pursuit of these objects are identified below.

**Governance and Internal Arrangements**

The Trust has a wide range of documented policies and procedures which are subject to regular review. Board meetings are held every two months where reports on the Trust finances and an update from the Chief Executive Officer are standard items on the agenda. In addition one-off reports are produced to update members on specific relevant matters. The annual strategy day was held in 2012 and a newsletter is circulated to members to update them on the Trust's affairs at regular intervals.

**Berwick's Future**

Following the County Council's reorganisation and the creation of its subsidiary development company, Arch, the Berwick's Future Partnership continues to work to secure a brighter future for the town. Arch now leads the work of the partnership and has developed a work programme which will be implemented over the coming years.

The Trust continues to try and progress the partnership's stated aims and ensures that the voice of Berwick residents is not lost. Through membership of the initiative's Steering and Programme Management Groups the Trust lobbies for clear communications with residents, seeks to hold external parties to commitments previously made and explores opportunities to pursue projects directly.

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**The William Elder Building**

Office spaces within the building are let to a range of not-for-profit and community groups, providing BCT with a vital independent and sustainable source of income. Overall office occupancy levels have fallen as many organisations face new financial realities but remain generally within targets.

In addition to the office space, the building has two meeting rooms, which have provided much needed accessible space within the town. The larger room acts as an Age UK 'day centre' twice a week in addition to doubling as a conference room for meetings of up to 75 people. The Trust operates a discretionary pricing policy that makes it cheaper to rent these spaces if the organisation using them comes from Berwick upon Tweed and has charitable purposes. The Trust faces increased competition from a number of similar venues which offer casual letting of rooms and has to consider further incentives in the pricing structure to retain current business and attract new business.

**Berwick CoRE Ltd**

During 2012 the Trust acquired complete ownership of Berwick CoRE Ltd and is working with the Baxi Partnership to complete the development of the Steps of Grace Wind Turbine project. This project to develop a 500kW community wind turbine was previously being developed by Community Renewable Energy (CoRE) on behalf of CoRE and the Trust. The working arrangements with Baxi Partnership became necessary following financial difficulties at CoRE and an inability there to see the project through to completion. Baxi are working with the Co-op Bank and we expect the turbine project to be completed in 2013 following the completion of technical work on site access and connection to the national grid.

A project to install solar pV panels on local schools and community buildings was completed in 2012 and electricity is being generated at seven sites in and around Berwick. This project will see local schools and community buildings benefit from free electricity while reducing dependence on carbon emitting electricity sources and earning a modest income. There are also a range of educational activities being delivered by Northumberland County Council alongside the physical installations.

**Low Carbon Berwick**

Match funding for the Trust's Low Carbon Berwick project was secured during 2012 and the process to recruit the Project Officer begun. The post was filled in early 2013 and project delivery has begun. The project aims to develop a Low Carbon Strategy for the town to which businesses, the public sector and individuals can commit in order to place Berwick to respond to the opportunities and challenges that will arise from rising energy prices, fuel poverty and climate change.

**Childcare Provision**

The Trust continues to act as the staffing agency for childcare provision to Sure Start Centres in North Northumberland, employing 17 members of staff that in turn enable over 200 childcare places each week to be offered to local families. The contract with the County Council to provide this service is now of open duration but subject to the Council's annual budget setting process.

**Elder Gems**

In 2012 the Trust was awarded funding for a project to encourage elderly people to meet on a regular basis and to develop a network of volunteers. This evolved into a project named Elder Gems which met on a weekly basis in the William Elder Building. The project proved very enjoyable for all attendees and from April 2013 has been taken over by RVS.

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**Play Outreach Project**

External money has been received to fund this project where mini buses visit local housing estates and villages in the evenings to provide the children with opportunities to partake in a wide range of learning, play and craft skills. The service is greatly appreciated by the children and key in developing a sense of togetherness in the community.

**Food Bank**

Following a meeting of various voluntary and statutory bodies it was accepted that there was need for a Food Bank based in Berwick to cover North Northumberland. The Food Bank was set up and is based in an office within the William Elder Building where staff, supported by volunteers, provide support and control all donations of food and money.

**FUTURE DEVELOPMENTS AND PLANS**

Over the next 12 months the Trust expects to continue to commit significant resources to

- Development of social enterprises and financial security
- Participation in, and promotion of, the Berwick's Future regeneration programme
- Development of a community wind turbine
- The hosting and development of the Low Carbon Berwick initiative
- Greater levels of community engagement
- Continue to provide employment support as opportunity allows
- The operation, further development and refurbishment of the William Elder Building

**FINANCIAL REVIEW**

**Results for the Year**

The overall income of the Trust during the period was £313,800 (2011 £278,649) with expenditure on charitable objectives at £318,907 (2011 £305,607). The principal funding sources are shown in notes 2 and 3 of the accounts.

Expenditure on activities to meet the objectives of the Trust is shown in note 5 to the accounts and in the detailed fund accounts. Income and expenditure have increased a little from 2011, resulting in a deficit for 2012 of £9,042 (2011 £35,223 deficit), and leaving a closing reserve balance of £283,052 (2011 £292,094).

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

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**Funds and Reserves Policy**

The Trust's accounting policy for funds is set out in Note 1 5 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 they are given for specific activities and purposes during the period. Restricted reserves stand at £266,885 (2011 £239,042) of which £230,000 (2011 £230,000) is represented by Tangible Assets and £36,885 (2011 £9,042) are the Low Carbon Berwick, Evening Playworkers, Elder Gems and Safe Steps monies yet unspent.

£12,025 (2011 £15,710) is held as designated funds carried forward for use by the Trust to fund major repairs and renewals to the William Elder Building.

The Trust currently holds free reserves equivalent to four months' (net) unrestricted overhead expenditure. The Board continues to monitor its reserves policy and will continue to build up free reserves in order to protect against the loss of grant income and to better enable it to invest in projects for the benefit of the community. Unspent unrestricted and designated funds amounting to £16,167 (2011 £53,052) are held within general reserves for future charitable expenditure.

**EMPLOYEES AND VOLUNTEERS**


The contribution of volunteers is essential to the operation of the Trust and this is especially true of the significant amount of work the Directors/Trustees have done through the course of the year. Volunteers are also active in various aspects of the Trust's work.

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

**EXEMPTIONS**

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

This report was approved by the Board on the 16<sup>th</sup> July 2013 and signed on its behalf by



**Ian Pope**

**Chairman - On behalf of the  
Directors/Trustees**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**

I report on the accounts of the charitable company for the year ended 31st December 2012 set out on pages 11 to 25

**Respective Responsibilities of Trustees and Examiner**

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

- \* examine the accounts under section 145 of the 2011 Act,
- \* follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charitable company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent Examiner's Statement**

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

1. which gives me reasonable cause to believe that, in any material respect, the requirements
  - \* to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - \* to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



DATE: 17<sup>th</sup> July 2013

**Stuart Faed BSc (Hons) CA DipPFS**  
**Greaves West and Ayre**  
**Chartered Accountants and**  
**Statutory Auditors**  
**1/3 Sandgate**  
**Berwick upon Tweed**

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**  
**YEAR ENDED 31ST DECEMBER 2012**

**Statement of Financial Activities**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds Building £	Other £	2012 £	2011 £
<b>Incoming resources</b>							
Voluntary income	2	20,944	608	-	34,931	56,483	49,533
Activities for generating funds	3	238,342	-	-	18,917	257,259	229,008
Investment income	3	58	-	-	-	58	108
Incoming resources from charitable activities	3	-	-	-	-	-	-
<b>Total incoming resources</b>	4	259,344	608	-	53,848	313,800	278,649
<b>Resources expended</b>							
Costs of generating voluntary income		-	-	-	-	-	-
Fundraising trading costs		-	-	-	-	-	-
Investment Management costs		-	-	-	-	-	-
Charitable activities	5	295,015	293	-	23,599	318,907	305,658
Governance costs	6	3,935	-	-	-	3,935	8,214
<b>Total resources expended</b>	4	298,950	293	-	23,599	322,842	313,872
<b>Net Incoming Resources Before Transfers</b>		(39,606)	315	-	30,249	(9,042)	(35,223)
<b>Gross transfers between funds</b>		6,406	(4,000)	-	(2,406)	-	-
<b>Net movement in funds</b>		(33,200)	(3,685)	-	27,843	(9,042)	(35,223)
<b>Total Funds brought forward at 31 Dec 2011</b>		37,342	15,710	230,000	9,042	292,094	327,317
<b>Total Funds carried forward at 31 Dec 2012</b>	15	4,142	12,025	230,000	36,885	283,052	292,094

The statement of financial activities includes all gains and losses recognised in the year  
All incoming resources and resources expended derive from continuing activities

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 2012**

£			£	£
	<b>Fixed Assets</b>			
232,192	Tangible assets	11		231,262
	<b>Current Assets</b>			
46,128	Debtors	12	62,742	
600	Investments	13	39,697	
43,632	Cash at bank and in hand		24,013	
			<u>126,452</u>	
90,360				
	<b>Creditors : Amounts falling</b>			
(30,458)	<b>due within one year</b>	14	(74,662)	
			<u>51,790</u>	
59,902	<b>Net Current Assets</b>			
292,094	<b>Total Assets Less Current Liabilities</b>			<u>283,052</u>

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

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 2012**

£			£	£
	<b>Represented by</b>			
37,342	Unrestricted funds	15		4,142
15,710	Designated funds	15		12,025
239,042	Restricted funds	15		266,885
<u>292,094</u>	<b>Total Funds</b>			<u>283,052</u>

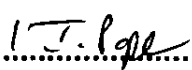
In the directors' opinion the company was entitled under section 477 of the Companies Act 2006 to exemption from the audit of its accounts for the year ended 31st December 2012. No member of the company has deposited a notice under section 476 requiring an audit of these accounts.

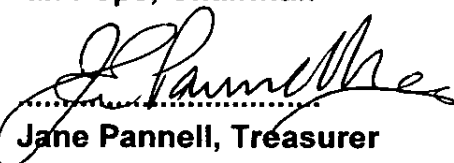
The directors are responsible for ensuring the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 16th July 2013.

And signed on its behalf by

.....  
  
**Ian Pope, Chairman**

.....  
  
**Jane Pannell, Treasurer**

**The notes on pages 14 to 25 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 2012**

**1. Accounting Policies**

**1.1. Accounting convention**

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

**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**  
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**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 any audit fees and costs linked to the strategic management of the Trust.

**1.4. Investments**

Current asset investments are stated at the lower of cost and net realisable value.

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**1.5. 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, including surpluses on general funds which are 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

The Trust operates a number of funds

- Project/festival funds (for example, Green Festival/Low Carbon Berwick/Renewable Energy Project/Safe Steps/REACH/Market Town Welcome/Local Community Plan/Elder Gems and Food Bank) are set up for specific purposes or one off events during the year which the trustees have decided would benefit the community

- William Elder Building Restricted Fund, a fund set up in 2007 to purchase the William Elder Building

- There are also funds (Core Funding/Premises Operations/Service Charges) which relate to the running costs of the Trust and the William Elder Building, most of which are grant funded, funded by surpluses generated within the Trust or by recharges

- A Child Care Management Restricted Fund has been set up in order for the Trust, in partnership with the County Council, to act as a staffing agency for child care staff both in Berwick and Wooler. Income is received from Northumberland County Council to cover these costs and the Trust is responsible for administering the payroll of the child care staff operating from the local family centres

- The remaining funds are held as General Funds which are unrestricted, but from time to time are designated for specific projects or activities as noted above

Transfers between the funds were discussed and approved by the trustees. A full description of the purposes of each fund is given above

The £189 transfer from Unrestricted Funds to the Restricted Funds has been carried out in order to cover some operational costs incurred which, this year, were not fully covered by income generated

The £4,000 transfer from Unrestricted Funds to Other Designated Funds has been carried out by the trustees on review of the level of repairs and renewals

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**1.6. Internal recharges**

During the year the following recharges between funds took place in order to allocate costs to the relevant funds

The Core Fund recharged Childcare Services Fund £13,364 (2011 £12,261), Evening Playworkers £2,500 (2011 £Nil) and Low Carbon Berwick Fund £1,800 (2011 £3,960) for running costs of these funds

The General Fund recharged The Core Fund £3,908 (2011 £3,508) and The Reach Project Fund £Nil (2011 £730) rent for use of the office

The Premises Service Charge Fund recharged The General Fund £9,825 (2011 £5,004), The Core Fund £Nil (2011 £4,931) and The Reach Project Fund £Nil (2011 £172) for service charges

**1.7. Tangible fixed assets and depreciation**

Individual items are capitalised at cost, where the purchase price exceeds £500

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

Land and Buildings	- Nil
Office Equipment	- 25% Straight Line
Plant and Machinery	- 25% Straight Line

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

All assets are reviewed for impairment and written down to their recoverable amount, where necessary

Although the financial statements require the annual depreciation of fixed assets, freehold buildings were not depreciated. The members believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, this is not in accordance with the Financial Reporting Standard for Smaller Entities

**1.8. Going concern**

After considering all aspects of the Trust, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**  
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**2. Voluntary income : Grants and donations**

	<b><u>Restricted</u></b>	<b><u>Designated/ Unrestricted</u></b>	<b><u>2012</u></b>	<b><u>Restated</u></b>
	<b><u>Funds</u></b>	<b><u>Funds</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Northumberland County Council	-	13,364	13,364	1,500
Northumberland Strategic Partnership	-	-	-	12,500
Reach Project	-	-	-	15,693
Community Foundation	9,775	-	9,775	-
Big Lottery Fund - Awards for All	-	-	-	2,000
Northumberland Health Care	10,000	-	10,000	-
Federation of Northumberland Development Trusts	-	4,500	4,500	10,772
Berwick CoRE Ltd	-	-	-	-
NALS	-	1,500	1,500	-
Ambassadors Grant	-	-	-	2,293
Other Sponsorship / Donations	56	1,738	1,794	1,489
Other Grants	15,100	450	15,550	3,286
	<u>34,931</u>	<u>21,552</u>	<u>56,483</u>	<u>49,533</u>

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**3. Other income**

	<b><u>Restricted</u></b>	<b><u>Designated/ Unrestricted</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b><u>Funds</u></b>	<b><u>Funds</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
Activities for generating funds				
- Northumberland County Council	-	178,840	178,840	177,000
- Programme and ticket sales/Admittances	1,006	-	1,006	1,441
- Rentals and casual lettings	-	29,425	29,425	29,856
- Service charges	-	15,932	15,932	8,517
- Officers management charges	-	9,837	9,837	6,623
- Staff time reimbursed	16,752	4,300	21,052	-
- Other income	1,159	8	1,167	26
- Other grants and gift aids	-	-	-	5,545
	<u>18,917</u>	<u>238,342</u>	<u>257,259</u>	<u>229,008</u>
Investment income				
- Bank interest	<u>-</u>	<u>58</u>	<u>58</u>	<u>108</u>

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**4. Resources by Activity**

Fund	Balance at 31/12/2011 £	Incoming Resources £	Expenditure in year £	Transfers at end of year £	Balance at 31/12/2012 £	Total Unrestricted		Total Restricted	
						General £	Designated £	Building £	Other £
<b>Festival Funds</b>									
Green Festivals	-	-	-	-	-	-	-	-	-
<b>Restricted Funding - Projects</b>									
Renewable Energy	-	-	-	-	-	-	-	-	-
Local Community Plan	-	-	-	-	-	-	-	-	-
Childcare Services	2,309	180,340	(185,244)	-	(2,595)	-	-	-	(2,595)
Low Carbon Berwick	1,327	9,025	(2,087)	-	8,265	-	-	-	8,265
Reach	-	-	(189)	189	-	-	-	-	-
Safe Steps	7,715	-	(108)	-	7,607	-	-	-	7,607
Evening Playworkers	-	32,658	(13,392)	-	19,266	-	-	-	19,266
Elder Gems	-	12,165	(7,823)	-	4,342	-	-	-	4,342
<b>Designated Funding - Projects</b>									
Market Town Welcome	-	-	-	-	-	-	-	-	-
Food Bank	-	608	(293)	-	315	-	315	-	-
Other Projects	15,710	-	-	(4,000)	11,710	-	11,710	-	-
<b>Core Grant Funded Activities</b>									
Core Funding	-	33,599	(86,752)	53,153	-	-	-	-	-
<b>General Funds / Running Costs</b>									
General Fund	35,036	29,473	(11,025)	(49,342)	4,142	4,142	-	-	-
Premises Service Charge	-	15,932	(15,932)	-	-	-	-	-	-
<b>Building Fund</b>									
William Elder Building	230,000	-	-	-	230,000	-	-	230,000	-
	<b>292,094</b>	<b>313,800</b>	<b>(322,842)</b>	<b>-</b>	<b>283,052</b>	<b>4,142</b>	<b>12,025</b>	<b>230,000</b>	<b>36,885</b>

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**  
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**5. Expenditure on charitable activities**

	<b><u>Restricted Funds</u></b>	<b><u>Designated/ Unrestricted Funds</u></b>	<b><u>2012 Total</u></b>	<b><u>Restated 2011 Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation Charge for the year	366	1,433	1,799	4,777
Production costs	2,657	9,789	12,446	8,780
Venue hire	4,789	249	5,038	210
Programmes and advertising	110	-	110	903
Repairs and refurbishment	282	5,250	5,532	7,305
Rent and service charges	-	14,824	14,824	11,960
Direct administration costs	14,342	263,470	277,812	271,723
Equipment costs	1,053	293	1,346	-
	<u>23,599</u>	<u>295,308</u>	<u>318,907</u>	<u>305,658</u>

**6. Other costs**

	<b><u>Restricted Funds</u></b>	<b><u>Unrestricted Funds</u></b>	<b><u>2012 Total</u></b>	<b><u>2011 Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Governance	-	3,935	3,935	8,214
	<u>-</u>	<u>3,935</u>	<u>3,935</u>	<u>8,214</u>



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**7. Staff costs and numbers**

The average number of full time equivalent employees (including casual and part time staff) during the year was as follows

	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b><u>Number</u></b>	<b><u>Number</u></b>
Project work and office staff	3	5
Childcare services staff	14	13
	<u>17</u>	<u>18</u>
	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Gross wages and salaries	235,800	239,552
Employer's National Insurance costs	13,495	16,979
	<u>249,295</u>	<u>256,531</u>

No employees had emoluments in excess of £60,000 (2011 £Nil)

The cost of volunteers is not accounted for in these accounts

**8. Trustee remuneration and expenses**

The Trust trustees were not paid or reimbursed expenses during the year and no Trust trustee received any emoluments or payment for professional or other services (2011 £Nil)

**9. Related party transactions**

All transactions are carried out on an "arms length basis"

The Trust is a director and controlling shareholder of Bewick CoRE Ltd. During the year the Trust paid expenses on behalf of the company to the value of £9,837 (2011 £6,623). At 31st December 2012 the balance owed by Bewick CoRE Ltd was £49,900 (2011 £40,063).

Bewick CoRE and Julien Lake are controlling directors of another company Berwick Community Solar Energy Limited, a company limited by guarantee. In the period to 31st December 2012 no transactions took place between it and the Trust.

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**  
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**10. Taxation**

As a Charity, the Trust is exempt from tax on income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 252 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 Trust.

**11. Tangible fixed assets**

	<b><u>Land and Buildings Freehold</u></b>	<b><u>Office Equipment</u></b>	<b><u>Plant and Machinery</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
Brought Forward	511,126	15,426	4,318	530,870
Additions	-	869	-	869
	<u>511,126</u>	<u>16,295</u>	<u>4,318</u>	<u>531,739</u>
<b>Depreciation</b>				
Brought Forward	281,126	13,506	4,046	298,678
Charge for the year	-	1,527	272	1,799
	<u>281,126</u>	<u>15,033</u>	<u>4,318</u>	<u>300,477</u>
<b>Net book values</b>				
At 31st December 2012	<u>230,000</u>	<u>1,262</u>	<u>-</u>	<u>231,262</u>
At 31st December 2011	<u>230,000</u>	<u>1,920</u>	<u>272</u>	<u>232,192</u>

Land and Buildings are included in the financial statements at their open market value. Land and Buildings were revalued at 28th February 2011, by external valuers, Edwin Thompson LLP. The Trustees have considered the market valuations of the Land and Buildings at 31st December 2012 and consider them to be in line with the external valuation previously undertaken by Edwin Thompson LLP.

**BERWICK UPON TWEED COMMUNITY DEVELOPMENT TRUST LIMITED**

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**12. Debtors**

	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b>£</b>	<b>£</b>
Debtors	9,839	4,876
Amount owed by participating interest	49,900	40,063
Prepayments and accrued income	3,003	1,189
	<u>62,742</u>	<u>46,128</u>

**13. Current asset investments**

	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b>£</b>	<b>£</b>
Investment in subsidiary undertakings	39,097	-
Other unlisted investments	600	600
	<u>39,697</u>	<u>600</u>

The Trust holds 1,200 (2011 600) ordinary shares of £1 each in a trading entity, Berwick Core Ltd

During the year the Trust purchased the remaining 50% of Berwick Core Ltd

**13.1. Holdings of 20% or more**

The charitable company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	Holding
Participating interests			
Berwick Core Ltd	United Kingdom	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year 31st March 2012 were as follows

	<b><u>Capital and reserves</u></b>	<b><u>Loss for the year</u></b>
	<b>£</b>	<b>£</b>
Berwick Core Ltd	(11,683)	(9,363)

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<b>14. Creditors : Amounts falling due within one year</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b>£</b>	<b>£</b>
Trade creditors	5,927	4,053
Accruals and deferred income	68,735	26,405
	<u>74,662</u>	<u>30,458</u>

**15. Analysis of net assets between funds**

	<b><u>Unrestricted</u></b>	<b><u>Designated</u></b>	<b><u>Restricted</u></b>	<b><u>Total</u></b>
	<b><u>Funds</u></b>	<b><u>Funds</u></b>	<b><u>Funds</u></b>	<b><u>Funds</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Tangible Fixed Assets</b>	863	223	230,176	231,262
<b>Debtors</b>	62,742	-	-	62,742
<b>Investments</b>	39,697	-	-	39,697
<b>Cash at bank and in hand</b>	(26,422)	13,726	36,709	24,013
<b>Current Liabilities</b>	(72,738)	(1,924)	-	(74,662)
<b>Net Assets at 31st Dec 2012</b>	<u>4,142</u>	<u>12,025</u>	<u>266,885</u>	<u>283,052</u>

**16. Ultimate controlling party**

The company is controlled by the directors, as trustees

**17. Audit and accountancy**

Greaves West and Ayre provides accountancy and audit services to the Trust. The audit fee was £Nil (2011 £3,000 plus VAT). Other accountancy and advisory services were also undertaken, some of this free of charge.