

**Berwick-Upon-Tweed Community  
Development Trust Limited  
Financial Statements  
Year Ended 31 December 2019**

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Charity registration number: 1109088  
Company registration number: 05290088

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Financial Statements**

**Year Ended 31 December 2019**

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# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Charity Reference and Administrative Details**

**Year Ended 31 December 2019**

<b>Charity registration number</b>	1109088
<b>Company registration number</b>	05290088
<b>Trustees</b>	Jan Casson (Chair) Ian Pope Alan Bowlas Keith Siseman John Fisher David Harper Colette Harper Sally Holborn
<b>Chief executive officer</b>	Julien Lake
<b>Secretary</b>	Ian Guthrie
<b>Registered office</b>	The William Elder Building 56 – 58 Castlegate Berwick-Upon-Tweed TD15 1JT
<b>Accountants</b>	J H Greenwood & Company Ava Lodge Castle Terrace Berwick-Upon-Tweed TD15 1NP
<b>Solicitor</b>	Adam Douglas and Sons 49 – 51 Bridge Street Berwick-Upon-Tweed TD15 1ES
<b>Bankers</b>	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Chairman's Report**

### **Year Ended 31 December 2019**

One of my tasks as the Chair of Berwick Community Trust, is to review and celebrate the work of the Trust, this celebration and review forms part of our annual accounts.

The Trustees report will describe the various activities carried out by the Trust, which seeks to fulfil our mission statement:

"To help make Berwick upon Tweed a place where each generation will wish to make a home, find meaningful work and enjoy leisure in an outstanding environment".

Last year I said that we were at an exciting and challenging point in our development, now due to Covid-19, I do not think we have ever experienced a more challenging time with much more to come.

We still have many major decisions to take with regard to the monies received from the turbine and the staff team, ably led by our CEO, have put in many hours of work, looking at what scope there is to develop a project (or projects) which will be for the benefit of the town, surrounding area and visitors but which at the same time help sustain the Trust financially.

We have continued to develop and improve The William Elder Building as a community hub which was increasingly being used for a whole range of meetings and other events

The current pandemic has overshadowed everything we do, and the team have spent the past few weeks rising to the challenge of supporting our community in any way possible. The foodbank usage has risen dramatically as was expected, families and individuals are experiencing high levels of hardship and anxiety, and the world has changed for all of us.

Going forward, we have work to do in making the William Elder building ready for a return to business, whilst protecting our staff, volunteers and service users with appropriate hand hygiene, social distancing and maintaining the current high levels of cleanliness across the building.

We have to continue to work in close collaboration with Berwick Town Council, Northumberland County Council, and all our other partner agencies, including other local charities. There will be many challenges ahead helping to re-start the life of our community, and we must be ready to help and to do whatever it takes. The community response to this pandemic has been wonderful, and we need to be ready to support the community effort going forward, we need to learn what has worked well, and use that learning to adapt our current practice in close collaboration with all our partners and colleagues.

I want to say a personal and heartfelt thank you to our staff team, they have gone about their daily work, with enthusiasm and kindness, and shown how much the trust is key to the wellbeing of our community, especially those experiencing some very tough times.

The Trust is its people, and we have a large and committed group of staff, Trustees and volunteers who make what we do possible. Our partnerships across the town will help us all achieve more year on year, as we listen to our community, and respond to the needs, wishes and aspirations expressed.

Working in collaboration and cooperation with others in the Town, we are making a real impact for our community and we will continue to embrace the opportunities which will present themselves going forward.

  
.....  
Jan Casson  
Chair of Trustees

Date: 20.8.20

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Trustees' Annual Report (Including Strategic Report)**

### **Year Ended 31 December 2019**

The Trustees present their report and the independently reviewed financial statements of the charity for the year ended 31 December 2019. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102 (second edition – October 2019)) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective from 1 January 2019.

#### **Trustees of the charity**

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who served during the year and since the year end were as follows:

Jan Casson (Chair)	
Ian Pope	
Alan Bowlas	
Keith Siseman	
John Fisher	
Ann Short	Resigned July 2019
David Harper	Appointed September 2019
Colette Harper	Appointed September 2019
Sally Holborn	Appointed September 2019
Susan Hallsworth	Co-opted January 2020

#### **Objectives and activities**

The Trust exists to make Berwick a better place to live, work and visit. Activities are intended to generate public benefit for residents, businesses and visitors to the Berwick area.

The Trust works to provide services directly for residents, to develop social enterprises and to provide active support and advice in Berwick upon Tweed. All profits generated through the Trust's economic activities are reinvested back into the community; reinvestment that enables further development of projects and services.

As an organisation that is run by the community, for the benefit of the community, the Trust seeks to encourage stakeholder involvement. The Directors/Trustees all have a passion for the town and surrounding area 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.

In order to maintain and enhance its effectiveness, the Trust has a wide range of documented policies and procedures which are subject to regular review. Board meetings are held every two months and 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 Trustees on specific relevant matters.

### **Strategic Report**

#### **Achievements and performance**

In order to achieve its aims, the Trust has adopted a strategy of working in 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. Activities undertaken in the reporting period in pursuit of these objects are identified below.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Trustees' Annual Report (Including Strategic Report)**

**Year Ended 31 December 2019**

### **The William Elder Building**

Office spaces within the building are let to a range of organisations including not-for-profit and community groups. This provides BCT with a vital and sustainable source of income. Overall office occupancy levels have been high during the year and at the year end the available permanent accommodation within the building was fully let.

In addition to the office space, the building has three fully accessible meeting rooms. The Conference room is used by RVS one-day per week, Slimming World on five days per week and the Methodist Church on Sundays in addition to doubling as a conference room for meetings of up to 75 people. The Meeting room is used to accommodate one-off bookings for smaller numbers of people along with the smallest space, the Interview Room. The Trust operates a tiered pricing policy that charges local and charitable bodies less than others. The Trust faces increased competition from a number of similar venues which offer casual letting of rooms but continues to be successful in attracting new business and is very well used by a wide cross section of local organisations.

### **Core Legacy Fund**

The Trust operates this grant giving fund to support eligible entities in the North East of England to develop community scale renewable energy projects. The fund seeks to advance the deployment of renewable generation technologies, reduce carbon emissions and build sustainable communities. Income for the fund came from the wind turbine project and, following the sale of the Trust's interest in the turbine there is now a finite sum in the fund. During 2019 grants were awarded to 14 organisations to the value of £42,599 and on this basis the fund is likely to run until 2023.

### **Here for You**

Here for You is the primary service through which the Trust directly supports residents in need. It is free to users and provides a wide range of advice and practical help including: Employment support – CV and letter writing, interview skills, job searching and applications. Benefit checks and claims and pension checks. Paper based and electronic form completion. Housing applications and bidding. Budgeting skills and energy supplier comparisons. The service is an accredited training provider and offers Customer Service, Employability and Digital Skills courses. The service is made possible in part through generous funding from Bernicia Housing and the Community Foundation for Northumberland and Tyne and Wear including their Northern Angel and Lough Funds. The service provided 1,654 appointments during 2019.

### **Food Bank**

The Trust runs the local foodbank with the support of residents and community partners including churches, schools and amenity groups. Donations take the form of both cash and food. A small group of volunteers support the Food Bank with sorting and packing food and collecting from supermarkets and other donation points. It has support from the major supermarkets in the town with collection points and events being run on their premises. Demand continued to rise and in 2019 there were 646 food parcels given out, an overall increase of 29.7% on 2018. The service seeks to take a holistic approach to the challenges that residents face and makes onward referrals to specialists such as the CAB, Job Centre, Social Services, housing agencies and addiction services. Benefit checks and budgeting sessions are also part of the work that the Food Bank undertakes together with collaborating with partners to provide additional support where needed. Accessing the Food Bank continues to be via an open-door approach to avoid restrictive referral processes.

### **Childcare Provision**

The Trust continues to act as an agency providing staff to Northumberland County Council for nurseries in Sure Start Centres in North Northumberland. The Trust employs 16 members of staff who enable around 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.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Trustees' Annual Report (Including Strategic Report)**

**Year Ended 31 December 2019**

### **Young Carers Project**

The Trust operates a young Carers Club on alternate Saturdays for the benefit of young people who have caring responsibilities. The club enables attendees to have time for themselves in a safe and structured environment. The project provides critical support for both the Children and their families. The Trust benefited from financial support to run the club through 2019 from Northumberland County Council but this will end in 2020.

### **General Community Support and Engagement**

During 2019 the Trust was involved in providing support and advice to a number of external groups and projects in the town. These initiatives were outside of the Trust but recognised as likely to bring value to the town and so the Trust seeks to provide advice, support and assistance to enable them to maximise their impact. These have included the Barracks, the Harbour, the Neighbourhood Plan and the Berwick stage of the Tour of Britain Cycle race.

### **Old Brewery Tweedmouth**

The Trust continues to own this building and is working to find a use for it that will be viable over the long term. Despite a number of interested parties looking at various uses of the building there is as yet no firm proposal for the site. The Trust continues to work to develop a long-term use and is currently in active discussions with potential tenants.

### **Coastal Communities Team**

The Trust is the host and accountable body for the Coastal Community Team (CCT) which secured £30k from the Coastal Revival Fund. This funding was for feasibility work and local consultation regarding the economic regeneration and development of the Berwick Quayside. This work was commissioned to an external consultant and the report with their findings is now under consideration.

### **Welcome Visitor Project**

The Trust secured £314k on behalf of the CCT in November 2018 and has hosted the 2 year long Welcome Visitor Project. This project seeks to make Berwick a "must go there" visitor destination, with increased visitor footfall, an improved tourism offer, more visitors staying for longer across a longer tourism season. This is to maximise the economic return for the town from tourism and visitor activity. Over the year the project worked in partnership with local organisations and businesses to build the visitor offer and to deliver specific project activities. Key achievements have been the development of a new place-brand for Berwick, the development of the Berwick Ambassador's and a programme of business training specifically focussed on the needs of tourism businesses. The project has also funded a programme of visitor facing events across the two years of funding.

### **Capital Investment Project**

Following the sale of the Trust's interest in the Wind Turbine the Trust seeks to develop a social enterprise capable of generating sustainable financial and social returns over the long term. It has not yet been possible to bring such a project to a positive conclusion but the Trust continues to work to do so and expects to commit further time and resources to this end in the next year.

### **Management of Risks**

The Trustees take their responsibility to identify and mitigate risk as a key priority. Business plans plus a variety of policies have been developed to reflect this responsibility and are regularly reviewed. The principal risks the Trust faces are those arising from its ownership and operation of The William Elder Building and The Old Brewery, its role as an employer, its continuing need to develop projects to deliver public benefit and its need to generate income to ensure long term financial sustainability.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Trustees' Annual Report (Including Strategic Report)**

**Year Ended 31 December 2019**

### **Financial review**

#### **Results for the Year**

The overall income of the Trust during the period was £651,775 (2018 £1,641,337) with expenditure of £756,042 (2018 £499,050). The principal funding sources are shown in the appropriate notes to the accounts.

#### **Fund Balances**

The balances on the individual funds are set out in Note 17 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 £331,669 (2018 £320,548) of which £285,000 (2018 £285,000) is represented by Tangible Assets and £46,669 (2018 £35,548) is represented by the unspent money in the specified projects. £1,239,932 (2018 £1,355,320) is held as unrestricted and designated funds carried forward for use by the Trust.

#### **Plans for future periods**

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

- Develop social enterprises and projects to ensure the long-term financial stability of the Trust.
- Participate in appropriate regeneration programmes for the Town.
- Provide employment support and advice as opportunity and finance allows.
- Operation and support of the Food Bank and the Young Carers Project
- Operation of the Child Care contract with Northumberland County Council.
- Community engagement on a range of projects set up to benefit the town.
- Delivery of the Welcome Visitor Project.
- The operation, further development and refurbishment of the William Elder Building.
- The development and return to use of The Old Brewery.
- Continuous review of the current plans/policies/procedures of the Trust.

#### **Structure, governance and management**

Berwick Community Trust (BCT) is a Company Limited by Guarantee established by Memorandum and Articles of Association dated 8 September 2004 and registered in England as a charity on the 18 April 2005.

BCT Membership is open to all who live or work in the Berwick upon Tweed area with 51 individuals 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. There are currently 9 Trustees who elect from themselves a Chair and Vice-Chair. The Trustees come from a range of business and voluntary backgrounds and offer a broad diversity of skills and experience.

At 31 December 2019 BCT employed 26 members of staff headed by a Chief Executive Officer (CEO) who is responsible for day to day decision making, management of the staff team and ensuring that the agreed work programmes are followed. The CEO reports to the Board, and the Chair meets regularly with the CEO to enhance communication between the staff and the Board.

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 and particularly the food bank.

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



# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Trustees' Annual Report (Including Strategic Report)**

**Year Ended 31 December 2019**

### **Trustees' responsibilities**

The Trustees (who are also directors of Berwick-Upon-Tweed Community Development Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102 (second edition – October 2019)).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, 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 presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant information of which the charitable company's accountants are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the accountants are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


### **Disclosure of information to the independent reviewer**

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant information of which the company's independent accountants are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's independent accountants are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

  
.....  
Jan Casson, Chair  
On behalf of the Directors/Trustees

Date: 20/8/2020

## **Berwick-Upon-Tweed Community Development Trust Limited**

### **Independent Accountant's Report to the Trustees of Berwick-Upon-Tweed Community Development Trust Limited**

**Year Ended 31 December 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Berwick-upon-Tweed Development Trust Limited for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Berwick-upon-Tweed Community Development Trust Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Berwick-upon-Tweed Community Development Trust Limited and state those matters that we have agreed to state to the Board Berwick-upon-Tweed Community Development Trust Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Berwick-upon-Tweed Community Development Trust Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Berwick-upon-Tweed Community Development Trust Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Berwick-upon-Tweed Community Development Trust Limited. You consider that Berwick-upon-Tweed Community Development Trust Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Berwick-upon-Tweed Community Development Trust Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



J.H. Greenwood & Company  
Chartered Accountants  
Ava Lodge  
Castle Terrace  
Berwick Upon Tweed  
Northumberland  
TD15 1NP

Date : 20/8/20

# Berwick-Upon-Tweed Community Development Trust Limited

## Statement of Financial Activities

Year Ended 31 December 2019

		2019				2018
	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total £	Total £
<b>Income and endowments from:</b>						
Donations and legacies	2	81,305	211,338	13,036	305,679	1,272,412
Charitable activities	3	18,452	261,500	-	279,952	243,470
Other trading activities	4	66,044	-	100	66,144	125,455
<b>Total income and endowments</b>		<b>165,801</b>	<b>472,838</b>	<b>13,136</b>	<b>651,775</b>	<b>1,641,337</b>
<b>Expenditure on:</b>						
Charitable activities	5	234,138	461,717	59,257	755,112	495,618
Other		930	-	-	930	3,432
<b>Total expenditure</b>		<b>235,068</b>	<b>461,717</b>	<b>59,257</b>	<b>756,042</b>	<b>499,050</b>
<b>Net income / (expenditure)</b>		<b>(69,267)</b>	<b>11,121</b>	<b>(46,121)</b>	<b>(104,267)</b>	<b>1,142,287</b>
<b>Transfers between funds</b>		-	-	-	-	-
<b>Other recognised gains / (losses):</b>		-	-	-	-	-
Gains / (losses) on revaluation of fixed assets		-	-	-	-	-
<b>Net movement in funds</b>	17	<b>(69,267)</b>	<b>11,121</b>	<b>(46,121)</b>	<b>(104,267)</b>	<b>1,142,287</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	17	1,092,251	320,548	263,069	1,675,868	533,581
<b>Total funds carried forward</b>	17	<b>1,022,984</b>	<b>331,669</b>	<b>216,948</b>	<b>1,571,601</b>	<b>1,675,868</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# Berwick-Upon-Tweed Community Development Trust Limited

## Balance Sheet

Year Ended 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	439,013	440,573
Investments	14	-	-
		<u>439,013</u>	<u>440,573</u>
<b>Current assets</b>			
Debtors	15	234,683	1,255,408
Cash at bank and in hand		997,286	66,514
		<u>1,231,969</u>	<u>1,321,922</u>
<b>Creditors: amounts falling due within one year</b>	16	99,381	86,627
		<u>1,132,588</u>	<u>1,235,295</u>
<b>Net current assets</b>			
		<u>1,571,601</u>	<u>1,675,868</u>
<b>Total assets less current liabilities</b>			
		<u>1,571,601</u>	<u>1,675,868</u>
<b>Charity Funds</b>			
Restricted funds	17	331,669	320,548
Unrestricted funds	17	1,022,984	1,092,251
Designated funds	17	216,948	263,069
		<u>1,571,601</u>	<u>1,675,868</u>
<b>Total charity funds</b>	17		

For the financial year in question the company was entitled to exemption under Section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 20 August 2020.

Signed on behalf of the board of trustees



Jan Casson, Chair of Trustees

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

Company registration number: 05290088

**Berwick-Upon-Tweed Community Development Trust Limited**

**Statement of Cash Flows**

**Year Ended 31 December 2019**

	Note	2019 £	2018 £
<b>Cash flow from operating activities</b>	19	931,711	(82,036)
<b>Net cash flow from operating activities</b>		<u>931,711</u>	<u>(82,036)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(939)	(4,376)
<b>Net cash flow from investing activities</b>		<u>(939)</u>	<u>(4,376)</u>
<b>Cash flow from financing activities</b>			
Interest paid		-	-
<b>Net cash flow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		930,772	(86,412)
<b>Cash and cash equivalents at start of reporting period</b>		66,514	152,926
<b>Cash and cash equivalents at end of reporting period</b>		<u>997,286</u>	<u>66,514</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		997,286	66,514
<b>Cash and cash equivalents at end of reporting period</b>		<u>997,286</u>	<u>66,514</u>

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2019**

### **1 Summary of significant accounting policies**

#### **(a) General information and basis of preparation**

Berwick-Upon-Tweed Community Development Trust Limited is a private company limited by guarantee in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to develop projects and Social Enterprises and to build wealth and deliver services for the benefits of the local community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **(b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

#### **(c) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2019**

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of Childcare funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

#### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities comprises the costs associated with the charity's principal activities; and
- Other expenditure represents those items not falling into the category above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

#### **(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a direct basis.

The analysis of these costs is included in note 6.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2019**

#### **(f) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Land and buildings	Not depreciated
Office equipment	Over 4 years
Plant and machinery	Over 4 years

#### **(g) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

#### **(h) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

#### **(i) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **(j) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **(k) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.



# Berwick-Upon-Tweed Community Development Trust Limited

## Notes to the Financial Statements

### Year Ended 31 December 2019

#### (I) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimation uncertainties have a significant effect on amounts recognised in the financial statements:

Depreciation is calculated to fully write off the costs of assets over their estimated useful life. The trustees estimate the useful life of each assets. Details of the depreciation charged in the period are included in note

#### 2 Income from donations and legacies

	2019 £	2018 £
Grants	279,667	25,721
Donations	25,772	1,241,454
Other	240	5,237
	<u>305,679</u>	<u>1,272,412</u>

Income from donations and legacies was £305,679 (2018 - £1,272,412) of which £211,338 (2018 - £29,597) was attributable to restricted funds.

#### 3 Income from charitable activities

	2019 £	2018 £
Childcare services	279,952	243,470
	<u>279,952</u>	<u>243,470</u>

Income from charitable activities was £279,952 (2018 - £243,470) of which £261,500 (2018 - £243,470) was attributable to restricted funds.

# Berwick-Upon-Tweed Community Development Trust Limited

## Notes to the Financial Statements

Year Ended 31 December 2019

### 4 Income from other trading activities

	2019 £	2018 £
Income from Turbine	-	32,304
Rent and services	39,438	35,059
Casual room hire	26,706	25,116
Other	-	32,976
	<u>66,144</u>	<u>125,455</u>

Income from other trading activities was £66,144 (2018 - £125,455) of which £66,044 was attributable to unrestricted funds.

### 5 Analysis of expenditure on charitable activities

	2019 £	2018 £
Childcare services	261,500	243,470
	<u>261,500</u>	<u>243,470</u>

£261,500 (2018 - £243,470) of the above costs were attributable to restricted funds.

### 6 Allocation of support costs

	Basis of allocation £ 2019	Charitable Activities £	Other £	Total 2019 £	Total 2018 £
Direct administration costs	Direct	717,793	-	717,793	460,902
Premises costs	Direct	34,820	-	34,820	32,452
Depreciation	Direct	2,499	-	2,499	2,264
Governance	Direct	-	930	930	3,432
Total		<u>755,112</u>	<u>930</u>	<u>756,042</u>	<u>499,050</u>

### 7 Governance costs

	Note	2019 £	2018 £
Auditor's / independent examiners remuneration	9	930	2,130
Legal fees		-	1,302
		<u>930</u>	<u>3,432</u>

# Berwick-Upon-Tweed Community Development Trust Limited

## Notes to the Financial Statements

### Year Ended 31 December 2019

#### 8 Net income for the year

Net income is stated after charging / (crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	2,499	2,264

#### 9 Auditor's / Independent examiners remuneration

The auditor's / independent examiners remuneration amounts to an audit / independent examination fee of £930 (2018 - £2,130).

#### 10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £Nil).

#### 11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2019 Number	2019 FTE	2018 Number	2018 FTE
Charitable activities	26	21	18	18
Other	-	-	-	-
	26	21	18	18

#### 12 Staff costs and employee benefits (continued)

The total staff costs and employee benefits were as follows:

	2019 £	2018 £
Wages and salaries	331,680	306,115
Social security	35,377	35,440
Defined contribution pension costs	23,503	12,540
	390,560	354,095

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2019**

#### **13 Tangible fixed assets**

	Land and buildings £	Office equipment £	Plant and machinery £	Total £
Cost or valuation:				
At 1 January 2019	716,076	25,352	6,992	748,420
Additions	-	939	-	939
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 December 2019	716,076	26,291	6,992	749,359
Depreciation:				
At 1 January 2019	281,126	19,729	6,992	307,847
Charge for the year	-	2,499	-	2,499
Impairment	-	-	-	-
Revaluation	-	-	-	-
Eliminated on disposals	-	-	-	-
At 31 December 2019	281,126	22,228	6,992	310,346
Net book value:				
At 31 December 2019	434,950	4,063	-	439,013
At 31 December 2018	434,950	5,623	-	440,573

The historic cost equivalent of land and buildings included at valuation are as follows:

	2019 Land and buildings £	2018 Land and buildings £
Cost	661,076	661,076
Accumulated gains	55,000	55,000
Accumulated depreciation	(281,126)	(281,126)
Net book value	434,950	434,950

Freehold land and buildings at The William Elder Building were subject to independent, professional valuation at 31 March 2018. The valuation was undertaken by Edwin Thompson LLP on an open market basis

# Berwick-Upon-Tweed Community Development Trust Limited

## Notes to the Financial Statements

Year Ended 31 December 2019

### 14 Fixed asset investments

	Other investments £	Total £
Cost or valuation		
At 1 January 2019	39,697	39,697
Additions	-	-
Disposals	-	-
Revaluation	-	-
At 31 December 2019	39,697	39,697
Impairment		
At 1 January 2019	39,697	39,697
Written off	-	-
Written back	-	-
Eliminated on disposals	-	-
At 31 December 2019	39,697	39,697
Carrying amount:		
At 31 December 2019	-	-
At 31 December 2018	-	-

Other investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

Included within other investments is a 100% holding in the ordinary share capital of Berwick CoRE Ltd. Its registered office address is The William Elder Building, 56 – 58 Castlegate, Berwick-Upon-Tweed, TD15 1JT. At the year end, the aggregate capital and reserves of the company amounted to £1,200 and profit for the year amounted to £Nil.

### 15 Debtors

	2019 £	2018 £
Trade debtors	3,758	32,470
Amounts owed by group undertakings	217,000	1,217,000
Prepayments and accrued income	13,925	5,938
	<u>234,683</u>	<u>1,255,408</u>

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2019**

### **16 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	67,347	65,202
Other tax and social security	5,456	5,523
Accruals and deferred income	26,578	15,902
	<u>99,381</u>	<u>86,627</u>

### **17 Fund reconciliation**

#### **Unrestricted funds**

	Balance at 2018 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2019 £
General fund	1,092,251	165,801	235,068	-	-	1,022,984
	<u>1,092,251</u>	<u>165,801</u>	<u>235,068</u>	<u>-</u>	<u>-</u>	<u>1,022,984</u>

#### **Designated funds**

	Balance at 2018 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2019 £
Core Legacy	251,164	3,000	48,327	-	-	205,837
Food bank	1,905	10,136	10,930	-	-	1,111
Repairs	10,000	-	-	-	-	10,000
	<u>263,069</u>	<u>13,136</u>	<u>59,257</u>	<u>-</u>	<u>-</u>	<u>216,948</u>

# **Berwick-Upon-Tweed Community Development Trust Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2019**

### **17 Fund reconciliation (continued)**

#### **Restricted funds**

	Balance at 2018 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2019 £
Childcare services	-	261,500	261,500	-	-	-
Coastal Communities	10,281	-	-	-	-	10,281
Safe Steps	4,591	-	-	-	-	4,591
Young Carers Project	20,380	976	5,923	-	-	15,433
Three Fields	296	-	-	-	-	296
Welcome Visitor	-	180,362	171,556	-	-	8,806
Quayside Project	-	30,000	22,738	-	-	7,262
Asset Based Com	-	-	-	-	-	-
William Elder	285,000	-	-	-	-	285,000
	320,548	472,838	461,717	-	-	331,669

### **18 Analysis of net assets between funds**

	Unrestricted funds	Designated funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2019 £
Fixed assets	149,950	-	289,063	439,013
Net current assets	873,034	216,948	42,606	1,132,588
Total	1,022,984	216,948	331,669	1,571,601

### **19 Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income & expenditure for year	(104,267)	1,142,287
Depreciation and impairment of tangible fixed assets	2,499	2,264
(Increase) / decrease in debtors	1,020,725	(1,201,689)
(Decrease) / increase in creditors	12,754	(24,898)
Net cash flow from operating activities	931,711	(82,036)

**Notes to the Financial Statements**

**Year Ended 31 December 2019**

**20 Pensions and other post-retirement benefits**

a) Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £23,503 (2018 - £12,540).

The defined contribution liability is allocated to unrestricted funds and expenditure on charitable activities.

**21 Related party transactions**

There are no related party transactions during the period (2018 £Nil).