



**NORTH *of* ENGLAND CIVIC TRUST**

**North of England Civic Trust**  
(a charitable company limited by guarantee)

**Annual Report**  
**for the year ended 31 March 2018**

**Registered Company Number: 1654806**

**Registered Charity Number: 513055**

**North of England Civic Trust**  
(a charitable company limited by guarantee)

**Annual Report**

**for the year ended 31 March 2018**

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# **North of England Civic Trust**

## **(a charitable company limited by guarantee)**

### **Reference and administrative details**

Charity number: 513055  
Company number: 1654806  
Registered office: The Schoolhouse, 12 Trinity Chare, Quayside, Newcastle upon Tyne NE1 3DF

### **Our advisors**

Independent auditors: UNW LLP, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE  
Bankers: Unity Trust Bank plc, Nine Brindley Place, Birmingham, B1 4JE  
Solicitors: Sintons LLP, The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB

### **Directors and trustees**

The directors of the charity are its trustees for the purpose of charity law. The trustees and senior management serving during the year and since the year end were as follows:

#### **Trustees**

Mr A Banford  
Mr P Bromley  
Mr D Butterworth (resigned 8<sup>th</sup> October 2018)  
Mr P Candler DL (Chairman)  
Ms B Gubbins  
Ms D Jenkins  
Ms C MacKenzie  
Mr M Moody  
Mr C Mullin  
Prof R Pickard  
Mr B Speker OBE DL

#### **Senior management**

Graham Bell Director  
Richard Beattie Finance Manager

# **North of England Civic Trust** **(a charitable company limited by guarantee)**

## **Trustees' report for the year ended 31 March 2018**

The trustees present their report and accounts for the year ended 31 March 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the 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) (effective 1 January 2015).

### **Objectives and Activities**

The objects of the charity, as set out in its memorandum and articles, are to promote a high standard of planning and architecture in or affecting the area of benefit, to educate the public in the geography, history, natural history and architecture, and to secure the preservation, protection, development and improvement of buildings and other features of historic architecture or public interest in the area of benefit.

The charitable company's objectives are to provide independent professional advice and services in the public interest, working towards improvement of, and appreciation for the environment of the North of England (in these circumstances being defined as the North East of England, North Yorkshire and Cumbria) including the acquisition, restoration and beneficial re-use of historic buildings. As far as possible, all activities are undertaken in partnership, often bringing together public bodies and community groups.

The Trust continues to combine consultancy with the development of historic property. During this financial year the Trust has provided advice on a number of problematic sites across its area of operation, as set out below.

Activities during the year continued to cover all aspects of the Trust's diverse roles, including conservation area character appraisals, conservation plans, feasibility studies, options appraisals, skill training and community development assistance. The Trust has successfully continued to deliver a wide range of services and projects in accordance with its aims and objectives.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. All work undertaken by the Trust seeks to offer public benefit, either through improvement or protection of local built environment, contribution to heritage led regeneration, access to skill training or capacity building of skills within local communities.

### **Volunteers**

The Trust is very involved in local communities and occasionally relies upon volunteers. The number of volunteers involved in some projects can vary from an individual working on a specific task such as archiving up to three dozen or more involved in a project, for which we wish to record our thanks to them for helping us achieve even more in our charitable aims.

## **North of England Civic Trust (a charitable company limited by guarantee)**

### **Trustees' report for the year ended 31 March 2018 (continued)**

#### **Achievements and Performance**

NECT's operations during the year have been characterised by two headlines: Resilient Heritage, and 2018 European Year of Cultural Heritage. However, a body of familiar work has continued throughout the year, covering project management, consultancy and building preservation trust projects, across 46 different activities / cost headings.

The Trust received a substantial Resilient Heritage grant from the Heritage Lottery Fund to comprehensively review all aspects of its operation and develop a new forward plan that would safeguard its achievements and assets, and ensure its efficacy in the future. The review was scheduled to run from March 2017 to March 2019. During the 2017/18 year much of the groundwork review was being undertaken so that in the 2018/19 year emerging proposals would be implemented. Three new posts were created to augment the staff team during this period of transition. The review also included a range of specialist advisors: fundraising, publicity/marketing, property, collections and evaluation, who undertook training with staff and other organisations with whom the Trust works. This is the most wide-ranging 'stock-take' of the Trust in 25 years, using as its point of reference the governing deed which dates from when the Trust was established in November 1965.

In the summer of 2017 NECT's Director was appointed by The Department for Digital, Culture, Media and Sport as the UK National Co-ordinator for 2018 European Year of Cultural Heritage. The role brought no funding from government but NECT was able to secure grants and financial support from various sources including National Trust and the European Commission Representation in the UK. The UK was one only two non-governmental organisations (NGOs) undertaking this role across Europe; once the year was fully up-and-running, 32 countries would be actively involved. Under the Resilient Heritage programme, NECT hosted two intern placements, one from Spain and one British, both of whom worked on the 2018 EYCH programme to develop a dedicated website with diary of UK events. Despite having less resources and time than most other countries, in an independent review NECT's website was deemed to be in the top five for quality of content and accessibility. By March 2018 NECT had held high-profile launch events with Lumiere London, National Trust in Wales and the Italian Institute in Edinburgh, and the online diary had exceeded expectations with over 300 registered events.

Offering independent expertise has always been a defining characteristic of NECT, especially in enabling heritage at risk to find economically sustainable solutions. The Trust has a longstanding role in the Townscape Heritage Initiative and successor Townscape Heritage programmes, with key roles in round one, round two and delivery stages of more than a dozen programmes across the north of England. In 2017/18 that expertise was focussed on Bishopwearmouth in Sunderland, which added to the list of successes and is now a live project. NECT had also worked within that area on the development of the former fire station into a new arts venue, which also achieved success. Still in Sunderland, NECT's role as client representative continued on Trafalgar Square, refurbishing almshouses in a £2m phased programme tackling damp eradication, decanting residents to minimise disruption, and assisting trustees in fundraising, cashflow and logistics. This holistic 'one stop shop' project management service extends well beyond the scope of most professionals and is a growing area in which NECT delivers meaningful public benefit, recognising that many not-for-profit

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### **Trustees' report for the year ended 31 March 2018 (continued)**

organisations of all sizes need guidance and mentoring support to take on new capital projects or even safeguard their role during turbulent times.

Heading up the building projects was Warwick Bridge Corn Mill in Cumbria – a property for which NECT's first involvement was in 2000 with an options appraisal, but which only really commenced in 2014/15 when confirmation of a £1.4m grant from the Heritage Lottery Fund enabled the Trust to acquire the mill and work towards bringing it back into use. During 2017/18 the first phase of work was undertaken to reroof the drying kiln and consolidate the most vulnerable parts of the structure. Such is the scarcity of specialist skills that NECT employed millwrights from Lincolnshire to begin planning repairs to all of the historic machinery. The main phase of repairs and adaptations to the building began with a design development leading to tender and implementation in the next financial year.

The Trust's other watermill, also grade II\* but a scheduled monument as well, is Gayle Mill, near Hawes in North Yorkshire. Working mills are machines that require regular maintenance but also periodic repairs to the systems upon which their operation depend. It was known that some engineering and structural works would be needed that would require temporary closure of the mill to the public. Negotiations with Gayle Mill Trust, set up to operate the mill under licence, proved difficult, but NECT regained vacant possession of the mill at the end of March 2018. This will enable NECT to undertake the necessary surveys and plan the works.

Taking the Trust in new directions is Camp Farm at Maryport in Cumbria. Its Roman archaeology is the reason for its inclusion in the Frontiers of the Roman Empire World Heritage Site; the farm's 145 acres of stunning landscape is in the Solway Coast AONB; and the derelict C19 Model Farm offers potential for NECT's expertise to bring them back into productive reuse. During the year funding from the Architectural Heritage Fund, HLF, Maryport Town Council, Allerdale Borough Council and collaboration with the Senhouse Museum Trust enabled NECT to develop a co-ordinated vision greater than the sum of these three important parts. The approach plays to the established strengths of NECT but is already responding to the new horizons presented by the Resilient Heritage process and the 2018 European Year of Cultural Heritage, shifting the Trust's focus from its 50-year-old precedent of saving heritage as its *raison d'être*, to being motivated by the benefits heritage brings for people, through which all elements taken together – landscapes, buildings, collections – are the most effective expressions of value to society.

### **Financial Review**

Full details of income and expenditure for the year are set out in the Statement of Financial Activities set out on page 12.

The operating surplus for the year to March 2018 of £2k reflected another tough but stable year for the Trust. Delays in projects, outside the control of the Trust, continue to have a negative impact of the Trust's performance, but work on consultancy projects helped to achieve a satisfactory result for the year.

The Trust continued with the capital project at Warwick Bridge which has resulted in significant grants being awarded during the year. Consequently these sums, together with the balance of sums already ring fenced for third parties, meant that the overall cash position appears robust, however creditors at the year-end were higher than normal to reflect these liabilities. The restricted cash held at the year-end totalled £262,196. The

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### Trustees' report for the year ended 31 March 2018 (continued)

trading position has made the core cash position challenging during the year although secured contracts in the foreseeable future, together with close monitoring of the cash position does provide an optimistic outlook.

#### Reserves

The charity holds both restricted and unrestricted reserves and aims to match funding to expenditure before significant costs are incurred. The trustees seek to keep a minimum of 13 weeks running costs (around £65k) and a maximum of one years running costs as free reserves (i.e. not tied up in fixed assets). Unrestricted free reserves at 31<sup>st</sup> March amounted to a deficit of £8k. This deficit is after deducted the loan taken to purchase the corn mill at Warwick Bridge. This loan had been reviewed in the summer of 2017 and a further facility of £98k was granted on a need basis. These additional funds were taken in the late summer of 2018 to aid cash flow timings between paying contractors and being reimbursed by grant funders. The Trust continues to work to improve its cost recovery on charitable activities that will allow it to build reserves to desired levels.

#### Investments

The investment powers are set out in the company's governing document. The charity holds investments with a view to generating income streams. The Trust's long-term strategy is to use its capacity to develop historic property to build a portfolio of investment assets, generating income from a mix of lettings and sales, which will contribute to the Trust's core operational costs and purposes.

#### Risk assessment

The main risks faced by the Trust in its day to day operations are set out below. Risks are also assessed by project, and the risk score used to guide decision making and delegation of decision making within the Trust. Risks are further mitigated by the process of review and scrutiny by the board in advance of projects being undertaken.

The trustees consider the major risks to which the charity is exposed are:-

Risk	Anticipated outcome from risk	Controls
<b>Property risk</b>		
That Trust property, held as a Heritage Asset under the protection of the Trust, is damaged	Trust is liable to repair damage	Insurance cover in place.
That a member of the public is injured on Trust property	Trust is liable for compensation	Trust maintains public liability insurance. Tenants of properties responsible for public safety, and so any claim would be against them in the first instance.
That the design of a renovation project is defective	Trust is liable to incur financial cost in putting right the defect caused	Trust uses professional teams with a proven track record of similar projects, and works in partnership with users/funders/statutory bodies throughout the design phase. All sub-contracted staff must provide evidence of Professional Indemnity Insurance and contracts are subject to a defects liability period.

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**Trustees' report for the year ended 31 March 2018 (continued)**

<b>Funding risk</b>		
Projects may overrun, incurring excessive staff time for which income cannot be recovered, or may involve expenditure not anticipated at the start but required to deliver the outcome	Project results in financial cost to the Trust	Individual larger projects are subject to individual risk assessment at inception, and are monitored throughout the life of the project. "Normal" consultancy subject to management controls monitoring spend and progress.
Outcomes on projects may not be met	Grants awarded may be clawed back by funders	Assessed individually (see above) to ensure outcomes are realistic to project.
<b>Staff</b>		
Key staff leave the Trust	Trust unable to fulfil commitments, or generate new work	All projects have a second member of staff assigned to them to ensure continuity. Annual appraisal process and staff away day seeks to involve staff in direction, thus making the Trust a good place to work.
Staff employed may not be fully utilised on income generating work	Income generated does not cover operating costs of Trust	Staff plan determined by management (at least) 3 months ahead. Underutilised staff are redeployed where possible onto alternative chargeable work. Gaps in the plan trigger increased business development.
Actions of staff may be detrimental to Trust	Reputation of Trust is damaged by either public actions of staff or by sub-standard work being submitted to clients	Staff are aware of expected code of conduct on Trust business, and disciplinary procedures are included in all staff contracts. Reports are subject to Quality Control review by the Director before being sent out to clients. The Trust carries Professional Indemnity Insurance as a protection against action by clients.

**Plans for future periods**

The Trust is in the process of updating its strategic plan, in line with the Resilience project underway.

During 2018/19 the Trust aims to:

- Respond to market conditions to seek to retain expertise in-house as conditions within planning and conservation local authority services change;
- Develop new projects with private (non Local Authority) funding to address identified needs and gaps;
- Develop increased web presence linked to social media;
- Develop and implement a broader-based fundraising strategy;
- Build reserves and improve financial performance.



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### **Trustees' report for the year ended 31 March 2018 (continued)**

- Continue the capital project at Warwick Bridge, which has allowed the Trust to enter into a major capital project for the next two years.
- Complete the Resilience Heritage grant work, which has allowed the Trust to evaluate all income streams together with reviewing the infrastructure of the workings of the Trust, leading to new ways of working going forwards.

### **Structure, Governance and Management**

The company is governed by its memorandum and articles of association. It is also a registered charity. The operation of the company is overseen by the board of trustees.

#### **Trustees**

The trustees of the charity are also directors of the company as defined in the Companies Act 2006 and are listed above. They are appointed to the board either by invitation following nomination, or in response to public invitation to ensure a good range of geographical representation, skill and experience. Prospective trustees are interviewed before an offer of appointment is made. Induction of new trustees provides a thorough introduction to the Trust through meetings with the directors and staff, and a review of governing documents, business plan, budget and programme of work.

There has been no formal trustee training undertaken during the year, although the board continue to review the skills represented and continue to recruit new members accordingly.

The board meet quarterly and there is a sub-committee covering audit and remuneration that meets twice during the year. A scheme of delegation approved by trustees in December 2000 delegates day-to-day operational decisions to the Trust's director and senior management within a risk management framework as agreed with the board.

None of the trustees receives remuneration or other benefits from their work with the charity. Any future payments to any trustee for specific services will be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

#### **Trustees' responsibilities in relation to the financial statements**

Company law requires the directors 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;
- make judgements and estimates that are reasonable and prudent;

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**Trustees' report for the year ended 31 March 2018 (continued)**

- 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 directors are responsible for keeping proper 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. The directors 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.

**Provision of information to auditors**

So far as each director is aware, there is no relevant audit information of which the charity's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**On behalf of the Board**



P Candler  
Chairman  
27<sup>th</sup> November 2018

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**Independent auditor's report to the members of**  
**North of England Civic Trust**

**Opinion**

We have audited the financial statements of North of England Civic Trust for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **North of England Civic Trust**

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### **Independent auditor's report to the members of North of England Civic Trust (continued)**

#### **Respective responsibilities of trustees and auditor**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees report.

# **North of England Civic Trust**

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### **Independent auditor's report to the members of North of England Civic Trust (continued)**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company's or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

#### **Who are we reporting to**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)**

**For and on behalf of UNW LLP (Statutory Auditor)**

Chartered Accountants & Statutory Auditor

Newcastle upon Tyne

NE1 4JE

27<sup>th</sup> November 2018

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**Statement of financial activities (including income and expenditure account) for the year ended 31 March 2018**

	Notes	Unrestricted funds	Restricted funds	Total 2018	Total 2017
		£	£	£	£
<b>Income and endowment from:</b>					
Charitable activities	1	144,028	204,660	<b>348,688</b>	436,988
Investments		34,387	-	<b>34,387</b>	33,987
Other		12,642	-	<b>12,642</b>	13,909
<b>Total</b>		<b>191,057</b>	<b>204,660</b>	<b>395,717</b>	<b>484,884</b>
<b>Expenditure on::</b>					
Charitable activities	2	189,208	204,660	<b>393,868</b>	483,898
<b>Total</b>		<b>189,208</b>	<b>204,660</b>	<b>393,868</b>	<b>483,898</b>
<b>Net incoming/ (outgoing) resources</b>		<b>1,849</b>	<b>-</b>	<b>1,849</b>	<b>986</b>
<b>Revaluation of property</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 April		1,993,111	-	1,993,111	1,992,125
<b>Fund balances carried forward</b>	<b>12</b>	<b>1,994,960</b>	<b>-</b>	<b>1,994,960</b>	<b>1,993,111</b>

The charity had no recognised gains and losses other than those noted above. All operations are continuing.

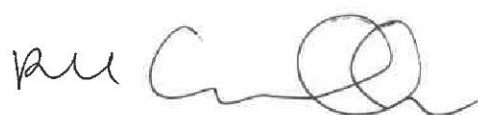
There is no difference between the reported result for the year stated above and its historical cost equivalents.

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**Balance sheet as at 31 March 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Tangible fixed assets</b>	5		<b>3,438</b>		<b>2,319</b>
<b>Heritage Assets</b>	6		<b>1,369,332</b>		<b>1,369,332</b>
<b>Investments</b>	8		<b>765,000</b>		<b>765,000</b>
<b>Current assets</b>					
Debtors due after 1 year	9	<b>17,671</b>		19,085	
Debtors due within 1 year	9	<b>157,546</b>		70,402	
Cash at bank and in hand		<b>311,307</b>		105,711	
Total current assets		<b>486,524</b>		195,198	
<b>Creditors: amounts falling due within one year</b>	10	<b>(494,334)</b>		(203,738)	
<b>Net current liabilities</b>			<b>(7,810)</b>		<b>(8,540)</b>
<b>Total assets less current liabilities</b>			<b>2,129,960</b>		<b>2,128,111</b>
<b>Creditors: amounts falling due after one year</b>	11		<b>(135,000)</b>		<b>(135,000)</b>
<b>Net assets</b>			<b>1,994,960</b>		<b>1,993,111</b>
<b>Funds</b>					
Restricted funds	12		-		-
Unrestricted funds					
Revaluation reserve	12	<b>820,586</b>		820,586	
General reserve	12	<b>1,174,374</b>		1,172,525	
Total unrestricted funds			<b>1,994,960</b>		<b>1,993,111</b>
<b>Total funds</b>			<b>1,994,960</b>		<b>1,993,111</b>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements on pages 12 to 23 were approved by the board of Trustees on 27<sup>th</sup> November 2018 and were signed on their behalf by:



P Candler, Chairman

Company Number 01654806

# **North of England Civic Trust**

## **(a charitable company limited by guarantee)**

### **Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. 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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The accounts are presented in £ sterling, which is considered to be the functional currency, and are rounded to the nearest £.

North of England Civic Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policies below.

#### **Going concern**

The trustees have reviewed the budgets and forecasts, and after appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **Income**

Donations and core grants receivable are accounted for when received or when receipt is probable. Investment income is included when receivable.

#### **Consultancy income**

Income represents amounts chargeable to clients for services provided during the year excluding VAT. Income is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of work performed. Income is not recognised where the right to receive payment is contingent on events outside the control of the charity.

Unbilled income is included in debtors as 'amounts recoverable on contracts'. Amounts billed on account in excess of the amounts recognised as income are included in creditors.

#### **Long term capital projects**

Expenditure in respect of renovation and refurbishment of historic buildings is charged to the statement of financial activities in the period in which the expenditure is incurred, on an accruals basis and is not capitalised.

#### **Support costs**

Support costs represent indirect costs attributed to the charitable activities of the Trust. Staff costs are allocated between different charitable activities in accordance with the time spent on each activity. Support costs include audit fees and the cost of trustees meetings.



# **North of England Civic Trust**

## **(a charitable company limited by guarantee)**

### **Accounting policies (continued)**

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing under £200 are not capitalised.

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

Furniture, fittings and equipment	-	10% - 33%
Chattels and historic objects	-	Nil

#### **Heritage Assets**

Heritage assets are held for their historic importance and cultural benefit. Based upon the residual value of the assets, and their long life, depreciation is not provided. Assets are held on the balance sheet at valuation at date of acquisition, with valuations updated periodically to reflect capital works undertaken, if appropriate.

#### **Investment properties**

Properties held by the Trust are held for their long term investment potential and to secure their survival for the future and are not depreciated.

Investment properties are held at fair value at the balance sheet date. The difference between original cost to the Trust and valuation is shown as a revaluation reserve within the general reserve. Costs incurred in the renovation and refurbishment of historic buildings are not capitalised.

#### **Fund accounts**

The unrestricted fund represents the income and expenditure incurred in the day to day running of the charitable company. The restricted fund represents grants and donations received for specific capital projects undertaken by the charitable company.

#### **Pension costs**

The charitable company contributes to the employees' personal pension schemes. Contributions are charged to the Statement of Financial Activities in the period in which the related payroll costs are incurred.

#### **Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income and expenditure account as incurred.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018**

**1 Charitable Activities**

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total (as restated) £
Grants and donations (see below)	76,376	204,660	<b>281,036</b>	370,767
Consultancy income	67,652	-	<b>67,652</b>	66,221
<b>Total</b>	<b>144,028</b>	<b>204,660</b>	<b>348,688</b>	<b>436,988</b>

Donor	Description	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total £
Allerdale Borough Council	Camp Farm, Maryport	2,500	-	<b>2,500</b>	-
Architectural Heritage Fund	Frizington Council Chambers	-	-	-	9,422
	Camp Farm, Maryport	4,593	-	<b>4,593</b>	-
Arts Council	Warwick Bridge Corn Mill	-	18,000	<b>18,000</b>	-
BIG Lottery	Port Carlisle	4,332	-	<b>4,332</b>	318
Coastal Revival Fund	Camp Farm, Maryport	-	-	-	32,634
Cumbria County Council	Frizington Council Chambers	-	-	-	1,000
	Camp Farm, Maryport	-	-	-	3,250
Cumbria Waste Management Environmental Trust	Warwick Bridge Corn Mill	-	-	-	15,000
English Heritage/ Historic England	Warwick Bridge Corn Mill	-	7,224	<b>7,224</b>	81,673
Garfield Weston	Warwick Bridge Corn Mill	-	-	-	20,178
Hadrian's Wall Trust	Camp Farm, Maryport	-	-	-	13,000
The Headley Trust	Warwick Bridge Corn Mill	-	-	-	32,000
<b>Balance carried forward</b>		<b>11,425</b>	<b>25,224</b>	<b>36,649</b>	<b>208,475</b>

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**1. Charitable Activities (continued)**

Donor	Description	2018	2018	2018	2017
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Balance brought down		11,425	25,224	36,649	208,475
Heritage Lottery Fund	Frizington Council Chambers	-	-	-	10,000
	Keelmen's Hospital	-	-	-	4,000
	Resilience Fund	38,577	-	38,577	8,171
	Warwick Bridge Corn Mill	-	140,752	140,752	135,783
Maryport Town Council	Camp Farm, Maryport	250	-	250	-
National Trust in England and Wales	European Year of Culture	20,000	-	20,000	-
Northumberland County Council	Camp Farm, Maryport	1,350	-	1,350	-
North West Mills Group	Warwick Bridge Corn Mill	-	-	-	350
Phoenix Enterprise Centre CIC	Frizington Council Chambers	-	-	-	500
Pilgrim Trust	Warwick Bridge Corn Mill	-	35,000	35,000	-
Regen North East Copeland Ltd	Frizington Council Chambers	-	-	-	500
Rural Development Programme for England	Warwick Bridge Corn Mill	-	3,684	3,684	-
Senhouse Museum	Camp Farm, Maryport	500	-	500	-
Wesley Orphan House Trust	Keelmen's Hospital	-	-	-	1,000
Your Housing Group	Camp Farm, Maryport	-	-	-	300
Miscellaneous Donations	NECT	4,274	-	4,274	1,688
		<b>76,376</b>	<b>204,660</b>	<b>281,036</b>	<b>370,767</b>

During the year the allocation of grants between building projects and consultancy was reviewed, resulting in the prior year comparative figures being restated. This has not affected the total of income for charitable activities as previously reported.

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**2 Expenditure on Charitable activities**

	Direct costs £	Staff costs £	Support costs £	Total 2018 £	Total 2017 £
Consultancy	79,635	75,898	124,430	<b>279,963</b>	209,754
Building projects	64,721	18,634	30,550	<b>113,905</b>	274,144
Costs of charitable activities	<b>144,356</b>	<b>94,532</b>	<b>154,980</b>	<b>393,868</b>	483,898

**3 Support costs**

	2018 £	2017 £
Staff costs	<b>81,922</b>	91,993
General office costs	<b>67,546</b>	50,891
Depreciation	<b>1,392</b>	3,125
Audit fee	<b>3,350</b>	3,000
Cost of trustees' meetings	<b>275</b>	1,050
	<b>154,485</b>	150,059

**4 Staff costs**

	2018 £	2017 £
Staff costs comprise the following:		
Wages and salaries	<b>158,950</b>	160,556
Social security costs	<b>8,973</b>	9,335
Other pension costs	<b>8,531</b>	7,347
	<b>176,454</b>	177,238

The average number of persons employed during the year was 7 (2017: 6). In 2018 there were no employees with emoluments above £60,000 (2017: 0). None of the trustees (2017: 0) received, or were entitled to receive any remuneration for their services to the charitable company. 2 of the trustees (2017: 2) received a total of £275 (2017: £1,050) for travel expenses during the year.

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**Key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the charity. During 2017/18 they were:

G Bell

R Beattie

The total employee benefits of the key management personnel of the charity were £89,544 (2017: £80,684).

**5 Tangible fixed assets**

	Furniture, fixtures and equipment	Painting	Total
	£	£	£
<b>Cost</b>			
At 1 April 2017	31,989	1,352	33,341
Additions	2,511	-	2,511
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>34,500</b>	<b>1,352</b>	<b>35,852</b>
<b>Depreciation</b>			
At 1 April 2017	31,022	-	31,022
Charge for the year	1,392	-	1,392
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>32,414</b>	<b>-</b>	<b>32,414</b>
<b>Net book value</b>			
<b>At 31 March 2018</b>	<b>2,086</b>	<b>1,352</b>	<b>3,438</b>
At 31 March 2017	967	1,352	2,319

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**6 Heritage Assets**

	2018 £
Valuation at 1 April 2017 and 31 March 2018	1,369,332

**7 Heritage Assets – Summary of transactions**

	2018 £	2017 £	2016 £
Donations	-	-	-
Purchases	-	-	137,322
Transferred from Investment Properties	-	-	275,000
Charge for impairment	-	-	-
Disposals	-	-	-
Proceeds from disposals	-	-	-

**8 Investment Properties**

	2018 £
Valuation at 31 March 2017 and 31 March 2018	765,000

**Properties were valued independently as follows:**

Exchange Buildings was valued in May 2008 at £650,000.

The directors review the valuation on an annual basis and confirm the current carrying values are in line with market values as at 31 March 2018.

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**9 Debtors**

	2018	2017
	£	£
Rental income due after more than one year	17,671	19,085
Trade debtors	47,263	31,334
Prepayments and accrued income	110,283	39,066
	<b>175,217</b>	<b>89,485</b>

**10 Creditors: amounts falling due within one year**

	2018	2017
	£	£
Interest due on loan	5,850	5,850
Trade creditors	42,159	8,295
Other creditors	84,573	118,156
Other taxation and social security	2,798	3,097
Accruals and deferred income	358,954	68,340
	<b>494,334</b>	<b>203,738</b>

Other creditors reflects the liability that the Trust has to pay to third parties using the monies received in March 2015 from Hadrian's Wall Trust and the North East Federation of Civic Societies.

**11 Creditors: amounts falling due after one year**

	2018	2017
	£	£
Loan from AHF	135,000	135,000
	<b>135,000</b>	<b>135,000</b>

The loan from the Architectural Heritage Fund (AHF) is secured by a charge on Exchange Buildings in Sunderland. The loan is repayable in December 2019 and carries interest at 6.5%.

**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**12 Reconciliation of movement in funds**

	Unrestricted funds £	Restricted funds £	Total £
At 1 April 2017	1,993,111	-	1,993,111
Net incoming resources for the year	1,848	-	1,848
<b>At 31 March 2018</b>	<b>1,994,959</b>	<b>-</b>	<b>1,994,959</b>

	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Represented by:</b>			
Tangible fixed assets	3,438	-	3,438
Heritage assets	1,369,332	-	1,369,332
Investment properties	765,000	-	765,000
Current assets	224,328	262,196	486,524
Current liabilities	(232,138)	(262,196)	(494,334)
Long term liabilities	(135,000)		(135,000)
<b>Total net assets as at 31 March 2018</b>	<b>1,994,960</b>	<b>-</b>	<b>1,994,960</b>

**13 Commitments under operating leases**

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2018 £	2017 £
<b>Operating leases which expire:</b>		
Within one year	<b>16,018</b>	16,774
Within two to five years	<b>8,214</b>	16,089
In more than five years	-	-



**North of England Civic Trust**  
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**Notes to the accounts for the year ended 31 March 2018 (continued)**

**14 Related party transactions**

There were no related party transactions during the year.

**15 Capital Commitments**

The Trust had no capital commitments at 31 March 2018 (2017: £nil).

**16 Taxation**

The company is a registered charity which is exempt from UK income tax, corporation tax and capital gains tax as long as the income it receives is applied for charitable purposes.

**17 Contingent liabilities**

The Trust's capital funding for projects carried out at Eagle, Exchange, Gayle and Warwick Bridge is subject to clawback / repayment should the Trust dispose of the properties. The amounts vary according to the length of time passed since completion of each project and other circumstances. As the Trust holds all properties to secure their long term future, there are no plans to sell any of the properties concerned.

