

**Berwick-Upon-Tweed Community
Development Trust Limited
Financial Statements
Year Ended 31 December 2018**

Charity registration number: 1109088
Company registration number: 05290088

Berwick-Upon-Tweed Community Development Trust Limited

Financial Statements

Year Ended 31 December 2018

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Berwick-Upon-Tweed Community Development Trust Limited

Charity Reference and Administrative Details

Year Ended 31 December 2018

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

Berwick-Upon-Tweed Community Development Trust Limited

Chairman's Report

Year Ended 31 December 2018

One of the best 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".

We are at an exciting and challenging point in our development. During 2018 we took a crucial decision to capitalise future income from our interest in the wind turbine in exchange for a major capital receipt. This capital receipt gives the Trust the opportunity to take a fundamental look 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. Clearly this is a major challenge but as a developing organisation it is one we all relish.

We continue to develop and improve The William Elder Building as a community hub which is increasingly being used for a whole range of meetings and other events. The Food Bank issued 498 parcels during 2018 compared with 403 in the previous year and, with the introduction of Universal Credit, this trend is expected to continue. The Here For You service continues to provide a key point of contact for many people with varying needs and between 2013 – 2018 there have been 1,301 registrations, 720 job outcomes and the service has handled some 7,164 appointments.

The Old Brewery building was purchased in 2017 with a view to conversion into a College but sadly the College have withdrawn their interest. An alternative strategy for the building is being considered. The Trust is a key player in the wider development of the town through hosting the Coastal Communities team, the involvement with and membership of the neighbourhood planning steering group, and housing working group, and through plans to revitalise the Barracks.

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 will continue to embrace the opportunities which will present themselves going forward.



Jan Casson
Chair of Trustees

Date: 9th September 2019

Berwick-Upon-Tweed Community Development Trust Limited

Trustees' Annual Report (Including Strategic Report)

Year Ended 31 December 2018

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Trustees of the charity

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

Jan Casson (Chair)

Ian Pope

Alan Bowlas

Monica Burns

Ross Weddle

Keith Siseman

Ann Short

John Fisher

David Harper

Colette Harper

Resigned November 2018

Resigned September 2018

Resigned July 2019

Appointed November 2018

Appointed November 2018

Objectives and activities

All objectives are focused upon the public benefit that they can bring to the residents, businesses and visitors to the Berwick area and mostly determine what work will be done as set out in the business plan.

Much of the Trust's work is directed at supporting and developing the local community to ensure long term economic sustainability of both the Trust and community initiatives it instigates and runs. All profits generated through the Trust's economic activities are reinvested back into the community, reinvestment that enables further development of a range of 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 members on specific relevant matters

Berwick-Upon-Tweed Community Development Trust Limited

Trustees' Annual Report (Including Strategic Report)

Year Ended 31 December 2018

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 this year in pursuit of these objects are identified below.

The William Elder Building

Office spaces within the building are let to a range of organisations including not-for-profit and community groups, providing BCT with a vital and sustainable source of income. Overall office occupancy levels have increased 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 two fully accessible meeting rooms. The larger 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 smaller meeting room is used to accommodate one-off bookings for smaller numbers of people. 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.

Wind Turbine

During 2017 an offer to buy out the Trust's interest in the wind turbine project was received. This offer was considered during 2018 and it was agreed that the Trust would accept the offer made thereby in effect capitalising the interest in the project. The capital sum of £1.2M was received and as part of the original financial model £240K of this income is to be allocated to the Core Legacy Fund. The Trust is currently looking at various options to maximise the impact this capital receipt will have on the Town and surrounding areas to benefit not only the residents, businesses and visitors but also help to guarantee the long term financial viability of the Trust.

Core Legacy Fund

The Trust set up this fund to offer grants to registered charities, CIC's, CIO's and constituted community groups in the North East of England to enable communities to develop projects which will generate reductions in the use of renewable energy. In previous years the income for the fund came from the turbine receipts and as stated earlier this was boosted during the year by the capital receipt from the sale of the turbine interest. During 2018 grants were awarded to 2 organisations to the value of £13,500. During 2019 it is proposed to revise the scheme to reflect the changed financial status of the Fund.

Here for You

This project offers a wide range of support opportunities. Employment support includes CV and letter writing, interview skills, job searching and applications. It also supports people making benefit claims such as Universal Credit which came into force in November 2018 in this area and Personal Independence Payments. Assistance is also available to claimants to navigate the online reporting journal requirements of the DWP. The service has become a "go to" place for individuals requiring a range of advice and support including benefit checks, pension checks, budgeting, social housing bidding and all types of form filling. The service continues to be an accredited One Awards and UK Online Training Centre for learners to gain certificated or informal training including IT basics and Customer Service Skills. Accessing funding for the service remains a challenge but staff continue to pursue all possible avenues. The service continues to provide a flexible appointments service with referrals not only from various agencies but also many self referrals. The service has helped 720 people into employment.

Berwick-Upon-Tweed Community Development Trust Limited

Trustees' Annual Report (Including Strategic Report)

Year Ended 31 December 2018

Supporting Families

This contract was highly successful and came to the end of its term in March 2018. All families that were referred made significant improvements in the target areas including school attendance, employment, training and well-being.

Childcare Provision

The Trust continues to act as the staffing agency for childcare provision to Sure Start Centres in North Northumberland, employing 14 members of staff that in turn 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 but subject to the Council's annual budget setting process.

Young Carers Project

A young Carers Club runs on alternate Saturdays which Trust staff operate for the benefit of children and parents who are experiencing particular difficulties and problems in their respective lives. The project provides a critical support to both the children and their parents.

Food Bank

The food bank is based within The William Elder Building and continues to be well supported by local churches, schools and individuals within the community in the form of both food and cash donations. It has support from the major supermarkets in the town with collection points and events being run on their premises. The donation of a fridge/freezer by Asda has given greater flexibility in the type of food able to be supplied. Demand continues to rise with 498 food parcels being issued in 2018. Every person attending the food bank undergoes an informal discussion to ensure that support mechanisms are in place and appropriate financial support applied for. A budgeting skills session is built into the process for those who present at the food bank on multiple occasions. The food bank has strong referral relationships with a wide network of partners including GP's, Job Centre, NETS team at the County Council, CAB, Social work departments to name a few. A core of dedicated volunteers pack and sort donations on a regular basis. The introduction of Universal Credit in late 2018 has resulted in a dramatic increase in the number of people using the service

Bernicia Community Development Project

The Trust is working in partnership with Bernicia Housing on a project which enables greater community engagement between themselves and their tenants. The work covers not only the immediate Berwick area but extends to larger towns within the area of the former Berwick Borough Council.

Asset Based Community Development

In 2017 the Trust received £10,000 of funding to enable grants of up to £250 to be made to any group of local people wishing to offer new activities or expand their membership. There was a small amount of money left in the fund at the start of the year and this was spent during the year supporting 18 organisations.

General Community Support and Engagement

During 2018 the Trust was involved in providing varying degrees of support and advice to a number of projects which were being developed in the Town but which were not directly instigated by the Trust. The projects however could potentially make a fundamental difference to the Town and the input of the Trust in their development has been crucial. These have included the Barracks, the Harbour and the Neighbourhood Plan.

Old Brewery Tweedmouth

Discussions over the year were carried out initially with Northumberland College and latterly with Sunderland College regarding the proposal to convert the building into a college. Unfortunately, for a variety of reasons, the respective College's initial enthusiasm for the development has waned and it is unlikely that the project will proceed. An alternative strategy for the use of the building will need to be developed during 2019.

Berwick-Upon-Tweed Community Development Trust Limited

Trustees' Annual Report (Including Strategic Report)

Year Ended 31 December 2018

Coastal Communities Team

The Trust provides a secretarial function to the CCT which is chaired by the Trust's CEO. Through 2018 the CCT continued to meet and work to co-ordinate activity to deliver the actions identified within the Economic Plan. The CCT successfully bid for funding to deliver the Welcome Visitor Project detailed below. The CCT additionally bid in summer 2018 to the Coastal Revival Fund for £30k for feasibility work and local consultation regarding the economic regeneration and development of the Quayside. In March 2019 it was advised that this bid was successful and work is underway to deliver against it.

Welcome Visitor Project

A two year £314k project commenced in November 2018 funded through the Coastal Communities Fund with the aim of making Berwick a "must go there" visitor destination, increase visitor footfall, increase the tourism offer within the town, encourage extended visitor stay and extend the current visitor season to ensure that Berwick gains the maximum economic return from tourism and visitor markets. A project Manager and Project Officer have been appointed and will work in partnership with the local public/private sector to deliver the project.

Management of Risks

The Trust takes 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 face are those arising out of its ownership and operation of The William Elder Building and The Old Brewery, its role as an employer, its continuing need to develop and deliver on the various projects it undertakes and the identification of a suitable capital venture to produce income to replace the loss of the ongoing turbine income.

Financial review

Results for the Year

The overall income of the Trust during the period was £1,641,337 (2017 £571,297) with expenditure of £499,050 (2017 £529,129) 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 4 to the accounts

Funds received from awarding bodies with specific restrictions, or donations with donor requests, are spent against the projects for which they were given. These reserves do not generally build up as they are given for specific activities and purposes during the period. Restricted reserves stand at £320,548 (2017 £328,148) of which £285,000 (2017 £285,000) is represented by Tangible Assets and £35,548 (2017 £43,148) is represented by the unspent money in the specified projects. £1,355,320 (2017 £205,433) is held as unrestricted and designated funds carried forward for use by the Trust.

Due to the sale of the Trust's interest in the wind turbine project there has been a substantial increase in the Trust's balances at the year end. The trustees are actively pursuing ways of re-investing this one off receipt in a project to enhance the town and surrounding area for both local people and visitors.

Berwick-Upon-Tweed Community Development Trust Limited

Trustees' Annual Report (Including Strategic Report)

Year Ended 31 December 2018

Plans for future periods

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

- Develop a landmark project (or projects) funded through the turbine capital receipt to ensure the long term financial stability of the Trust
- Participate in, and promotion of, 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 future 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 8th September 2004 and registered in England as a charity on the 18th April 2005.

BCT Membership is open to all who live or work in the Berwick upon Tweed area with 51 individuals or organisations currently registered. Directors/Trustees are elected from the membership at the AGM and serve on a Board that oversees the Trust's work and manages its affairs. The Directors/Trustees elect from themselves a Chair, Vice-Chair and Honorary Treasurer. Currently BCT has 7 Directors/Trustees. The Directors/Trustees come from a range of business and voluntary backgrounds and offer a broad diversity of skills and experience.

At 31st December 2018 BCT employed 24 members of staff headed by a Chief Executive Officer who is responsible for day to day decision making, management of the staff team and ensuring that the agreed work programmes are followed. The Chief Executive Officer reports to the Board, and the Chair meets regularly with the Chief Executive Officer 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 Directors/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 2018

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 2015 (FRS 102);
- 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 audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 auditors

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 audit information of which the company's auditors 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 audit information and to establish that the company's auditors 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: 9th September 2019

Berwick-Upon-Tweed Community Development Trust Limited

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

Year Ended 31 December 2018

Opinion

We have audited the financial statements of Berwick-Upon-Tweed Community Development Trust Limited (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, 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 Financial Reporting Standard 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 December 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.

Basis for 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other 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.

[continued ...]

Berwick-Upon-Tweed Community Development Trust Limited

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

Year Ended 31 December 2018

Opinions 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 (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report.

We have nothing to report in respect of the following matters in relation to which the 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. [; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 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.

[continued ...]

Berwick-Upon-Tweed Community Development Trust Limited

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

Year Ended 31 December 2018

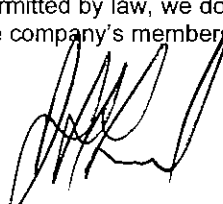
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Hall Greenwood (Senior Statutory Auditor)
For and on behalf of J. H. Greenwood F.C.A
Ava Lodge
Castle Terrace
Berwick Upon Tweed
TD15 1NP

Date:

Berwick-Upon-Tweed Community Development Trust Limited

Statement of Financial Activities

Year Ended 31 December 2018

		2018			2017
	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total £
Income and endowments from:					
Donations and legacies	2	999,733	29,597	243,082	1,272,412
Charitable activities	3	-	243,470	-	243,470
Other trading activities	4	118,994	-	6,461	125,455
Total income and endowments		1,118,727	273,067	249,543	1,641,337
Expenditure on:					
Charitable activities	5	187,411	280,667	27,540	495,618
Other		3,432	-	-	3,432
Total expenditure		190,843	280,667	27,540	499,050
Net income / (expenditure)		927,884	(7,600)	222,003	1,142,287
Transfers between funds		-	-	-	-
Other recognised gains / (losses):		-	-	-	-
Gains / (losses) on revaluation of fixed assets		-	-	-	55,000
Net movement in funds	17	927,884	(7,600)	222,003	1,142,287
Reconciliation of funds:					
Total funds brought forward	17	164,367	328,148	41,066	533,581
Total funds carried forward	17	1,092,251	320,548	263,069	1,675,868

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 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	440,573	438,461
Investments	14	-	-
		<u>440,573</u>	<u>438,461</u>
Current assets			
Debtors	15	1,255,408	53,719
Cash at bank and in hand		66,514	152,926
		<u>1,321,922</u>	<u>206,645</u>
Creditors: amounts falling due within one year	16	86,627	111,525
Net current assets		<u>1,235,295</u>	<u>95,120</u>
Total assets less current liabilities		<u>1,675,868</u>	<u>533,581</u>
Charity Funds			
Restricted funds	17	320,548	328,148
Unrestricted funds	17	1,092,251	164,367
Designated funds	17	263,069	41,066
Total charity funds	17	<u>1,675,868</u>	<u>533,581</u>

The financial statements were approved and authorised for issue by the Board on 9th September 2019

Signed on behalf of the board of trustees

Jan Casson, Chair of Trustees

Date 9th September 2019



The notes on pages 15 to 25 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 2018

	Note	2018 £	2017 £
Cash flow from operating activities	19	(82,036)	71,539
Net cash flow from operating activities		<u>(82,036)</u>	<u>71,539</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(4,376)	(154,631)
Net cash flow from investing activities		<u>(4,376)</u>	<u>(154,631)</u>
Cash flow from financing activities			
Interest paid		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(86,412)	(83,092)
Cash and cash equivalents at start of reporting period		152,926	236,018
Cash and cash equivalents at end of reporting period		<u>66,514</u>	<u>152,926</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		66,514	152,926
Cash and cash equivalents at end of reporting period		<u>66,514</u>	<u>152,926</u>

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

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 2018

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 2018

(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 2018

(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

	2018 £	2017 £
Grants	25,721	89,145
Donations	1,241,454	4,608
Other	5,237	3,000
	<hr/> 1,272,412	<hr/> 96,753

Income from donations and legacies was £1,272,412 (2017 - £96,753) of which £29,597 (2017 - £84,058) was attributable to restricted and £1,242,815 (2017 - £12,695) was attributable to unrestricted funds.

3 Income from charitable activities

	2018 £	2017 £
Childcare services	243,470	255,099
	<hr/> 243,470	<hr/> 255,099

Income from charitable activities was £243,470 (2017 - £255,099) all of which was attributable to restricted funds.

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

4 Income from other trading activities

	2018 £	2017 £
Income from Turbine	32,304	25,094
Rent and services	35,059	35,044
Casual room hire	25,116	17,558
Berwick CoRE Ltd	-	100,374
Other	32,976	41,375
	<u>125,455</u>	<u>219,445</u>

Income from other trading activities was £125,455 (2017 - £219,445) all of which was attributable to unrestricted funds.

5 Analysis of expenditure on charitable activities

	2018 £	2017 £
Childcare services	243,470	255,099
	<u>243,470</u>	<u>255,099</u>

£243,470 (2017 - £255,099) of the above costs were attributable to restricted funds.

6 Allocation of support costs

	Basis of allocation £ 2018	Charitable Activities £	Other £	Total 2018 £	Total 2017 £
Direct administration costs	Direct	460,902	-	460,902	493,192
Premises costs	Direct	32,452	-	32,452	29,244
Depreciation	Direct	2,264	-	2,264	1,427
Governance	Direct	-	3,432	3,432	5,266
Total		<u>495,618</u>	<u>3,432</u>	<u>499,050</u>	<u>529,129</u>

7 Governance costs

	2018 £	2017 £
Auditor's / independent examiners remuneration	9 2,130	2,125
Legal fees	1,302	3,141
	<u>3,432</u>	<u>5,266</u>

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

8 Net income for the year

Net income is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	2,264	1,427

9 Auditor's / Independent examiners remuneration

The auditor's / independent examiners remuneration amounts to an audit / independent examination fee of £1,470 (2017 - £500) and other compliance services of £660 (2017 - £1,625).

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2017: £Nil).

11 Staff costs and employee benefits

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

	2018 Number	2018 FTE	2017 Number	2017 FTE
Charitable activities	18	18	18	18
Other	-	-	-	-
	18	18	18	18

12 Staff costs and employee benefits (continued)

The total staff costs and employee benefits were as follows:

	2018 £	2017 £
Wages and salaries	306,115	313,411
Social security	35,440	32,187
Defined contribution pension costs	12,540	8,982
	354,095	354,580

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 2018

13 Tangible fixed assets

	Land and buildings £	Office equipment £	Plant and machinery £	Total £
Cost or valuation:				
At 1 January 2018	716,076	20,976	6,992	744,044
Additions	-	4,376	-	4,376
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 December 2018	716,076	25,352	6,992	748,420
Depreciation:				
At 1 January 2018	281,126	17,465	6,992	305,583
Charge for the year	-	2,264	-	2,264
Impairment	-	-	-	-
Revaluation	-	-	-	-
Eliminated on disposals	-	-	-	-
At 31 December 2018	281,126	19,729	6,992	307,847
Net book value:				
At 31 December 2018	434,950	5,623	-	440,573
At 31 December 2017	434,950	3,511	-	438,461

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

	2018 Land and buildings £	2017 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 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 2018

14 Fixed asset investments

	Other Investments	Total
	£	£
Cost or valuation		
At 1 January 2018	39,697	39,697
Additions	-	-
Disposals	-	-
Revaluation	-	-
At 31 December 2018	39,697	39,697
Impairment		
At 1 January 2018	39,697	39,697
Written off	-	-
Written back	-	-
Eliminated on disposals	-	-
At 31 December 2018	39,697	39,697
Carrying amount:		
At 31 December 2018	-	-
At 31 December 2017	-	-

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

	2018 £	2017 £
Trade debtors	32,470	11,767
Amounts owed by group undertakings	1,217,000	37,500
Prepayments and accrued income	5,938	4,452
	1,255,408	53,719

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	65,202	80,323
Other tax and social security	5,523	4,766
Accruals and deferred income	15,902	26,436
	<u>86,627</u>	<u>111,525</u>

17 Fund reconciliation

Unrestricted funds

	Balance at 2017 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2018 £
General fund	164,288	1,097,204	(146,414)	(22,827)	-	1,092,251
Here for you	79	21,523	(44,429)	22,827	-	-
	<u>164,367</u>	<u>1,118,727</u>	<u>(190,843)</u>	<u>-</u>	<u>-</u>	<u>1,092,251</u>

Designated funds

	Balance at 2017 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2018 £
Core Legacy	29,081	246,461	(24,378)	-	-	251,164
Food bank	1,985	3,082	(3,162)	-	-	1,905
Repairs	10,000	-	-	-	-	10,000
	<u>41,066</u>	<u>249,543</u>	<u>(27,540)</u>	<u>-</u>	<u>-</u>	<u>263,069</u>

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

17 Fund reconciliation (continued)

Restricted funds

	Balance at 2017 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 2018 £
Childcare services	-	243,470	(243,470)	-	-	-
Coastal Communities	17,054	-	(6,773)	-	-	10,281
Safe Steps	7,284	-	(2,693)	-	-	4,591
Young Carers Project	-	26,197	(5,817)	-	-	20,380
Supporting Families	3,999	-	(3,999)	-	-	-
Three Fields	296	-	-	-	-	296
BBH Community	5,745	3,400	(9,145)	-	-	-
Jubilee Spittal	4,000	-	(4,000)	-	-	-
Asset Based Com	4,770	-	(4,770)	-	-	-
William Elder	285,000	-	-	-	-	285,000
	328,148	273,067	(280,667)	-	-	320,548

18 Analysis of net assets between funds

	Unrestricted funds 2018 £	Designated funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fixed assets	149,950	-	290,623	440,573
Net current assets	942,301	263,069	29,925	1,235,295
Total	1,092,251	263,069	320,548	1,675,868

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

	2018 £	2017 £
Net income expenditure for year	1,142,287	42,168
Depreciation and impairment of tangible fixed assets	2,264	1,427
(Increase) / decrease in debtors	(1,201,689)	4,855
(Decrease) / increase in creditors	(24,898)	23,089
Net cash flow from operating activities	(82,036)	71,539

Berwick-Upon-Tweed Community Development Trust Limited

Notes to the Financial Statements

Year Ended 31 December 2018

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 £12,540 (2017 - £8,982).

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 (2017 £Nil).