
THE MALTINGS (BERWICK) TRUST

TRUSTEES' REPORT

AND ACCOUNTS

2003/2004



Company Registration No : 2332073 (England)

Registered Charity No : 701194

THE MALTINGS (BERWICK) TRUST

Directors: Mrs E.M.A.Hardie * (Vice Chairman from 3rd June to 30th October 2003)
E. S. Rathbone *
A. M. Sanderson *
C. E. Shaw (Vice Chairman - resigned 2nd June 2003 - re-appointed 30th October 2003) *
R. White (Chairman) *

Councillor E. Breckons
Councillor G. M. Elliott
Councillor J. E. Smith
Councillor M .S. Weightman

* Member of the Management Group

Company Secretary: Mrs M. A. McLeod

Finance: Administrator Mrs M. A. McLeod

Business Address: Eastern Lane
Berwick-upon-Tweed
TD15 1AJ

Solicitors: Licensing and Day to Day Matters :

Adam Douglas & Son
49/51 Bridge Street
Berwick-upon-Tweed
TD15 1ES

All Other Matters:

Berwick-upon-Tweed Borough Council
Council Offices
Wallace Green
Berwick-upon-Tweed
TD15 1ED

Auditors: Greaves, West & Ayre
Chartered Accountants and Registered Auditors
1/3 Sandgate
Berwick-upon-Tweed
TD15 1EW

Bankers: Barclays Bank Plc
42/44 Hide Hill
Berwick-upon-Tweed
TD15 1AF

Bank of Scotland
61 Hide Hill
Berwick-upon-Tweed
TD15 2EW

Registered Office: Council Offices
Wallace Green
Berwick-upon-Tweed
TD15 1ED

Company Registration No: 2332073 (England)

Registered Charity No: 701194

VAT Registration No: 499 9982 33

THE MALTINGS (BERWICK) TRUST

Trustees and Directors' Report for the period ended 31st March 2004

1. The Directors have pleasure in submitting their Annual Report together with the audited Financial Statements of the Company for the year ended 31st March 2004. The Directors have adopted the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) and the Financial Reporting Standard for Smaller Entities in preparation of these financial statements, which also comply with the requirements of the charity's constitution.

2. Governing Instruments

The Trust is governed by a trust deed dated 2nd May 1989 and Memorandum and Articles of Association dated 8th December 1988.

3. Constitution

The charity is also a company limited by guarantee and having no share capital.

4. Directors

The Directors serving during the year ended 31st March 2004 were:-

Mrs E. M. A. Hardie (Vice Chairman from 3rd June to 30th October 2003)
E. S. Rathbone
A. M. Sanderson
C. E. Shaw (Vice Chairman - resigned 2nd June 2003 - re-appointed
30th October 2003)
R. White (Chairman)

Councillor E. Breckons
Councillor G. M. Elliott
Councillor J. E. Smith
Councillor M. S. Weightman

5. Objects of the Charity and Policies Adopted to Achieve those Objectives

(a) The objects for which the company is registered are to promote, maintain, improve and advance education particularly by the encouragement of the Arts including the arts of Drama, Ballet, Music, Singing, Literature, Sculpture and Painting.

(b) The principal objective of the Trust is to promote the arts in the town and the Borough. In order to achieve that, it manages The Maltings Arts Centre and employs staff to further the objective within and without the venue. The Maltings promotes professional performances and film, is a venue for local amateur groups and organises classes and workshops for young people. Through a policy of outreach, it organises events elsewhere in the Borough and brings into the venue groups from schools and other organisations.

There have been no changes in the adopted policies since the last report.

6. Organisation of Charity

The Maltings (Berwick) Trust was established in 1989 as a Company Limited by Guarantee and a Registered Charity. Members of the Trust are eligible for election to the Board. An annual membership registration fee was introduced from 1st June 1999, the fee being £5.00 in respect of a Member who is an individual, £3.00 in respect of a Member who is retired or unwaged and £25.00 in respect of a Member which is a corporation. The amount of future fees shall be settled at each Annual General Meeting. The Trustees comprise a maximum of sixteen Directors of the Board, twelve of whom are elected by the Annual General Meeting, three of whom are the nominees of Berwick-upon-Tweed Borough Council and one of whom is the nominee of Northumberland County Council. At each Annual General Meeting one third of elected Directors who have been longest in office are required to retire. A retiring elected Director shall be eligible for re-election. The Board of Directors meets bi-monthly, with an Annual General Meeting held in the spring. The Management Group are a sub-group of the Board and meet as required to consider matters concerned with the day to day business of the Company.

7. Review of the Development, Activities and Achievements During the Year and Future Plans.

Following the departure of two of the executive team, the year has been one of consolidation. The remaining staff have worked hard together to deliver a challenging and far-reaching programme. This has been a successful exercise with excellent audiences for the majority of events, a high level of customer satisfaction and increasing audiences particularly for jazz and film. However it is essential that the Maltings be 're-launched' as an exciting and progressive venue for all the performing arts, broadening the range and improving the quality of professional productions staged. The Maltings' aim will be to provide a totally inclusive programme for all ages and interests, with fully co-ordinated educational and performance elements.

In the Autumn of 2003 a consultant, Roger Lancaster was engaged by Berwick Borough Council and the Arts Council England, North East to investigate the best future course of action. This was a crucial starting point for the Board of Directors, staff and community to place the artistic vision within the Berwick Borough and redefine the vision. His findings were that the previous strategy was time expired and the foundation of the organisation actively needed to be recreated, with a proactive strategy. He recommended that a senior post be created which would be responsible for the leadership roles, strategic direction and programming. The Board of Directors have welcomed the consultancy work and are fully supportive of the proposals made.

Hamlet, A Trash Opera - The Maltings acted as the umbrella partner for the project which involved 10 schools, several community groups and over 1,000 participants. The funding from Youth Music, the Arts Council England, North East and English Heritage enabled a broad and diverse range of young and older people of all levels of ability to become involved in creative music-making, with a strong emphasis on environmental ethics, sustainability and resourcefulness. Many young people became involved in an arts project for the first time. They were delighted to find that they could create music, play an instrument, perform in public and thoroughly enjoy the experience. Over 100 people took part in the performance held at Berwick Barracks on 16th August as part of the 'Union of the Crowns' celebrations and over 2,000 people watched the street parade. There were also performances at Traquair House on 3rd & 4th August. A huge amount was achieved from both participants and co-ordinators in terms of personal development and workshop skills.

The Maltings has gained an excellent reputation for community and in-house productions such as The Three Musketeers (Youth Theatre), Guys and Dolls (Junior Drama Groups), Romeo and Juliet (Youth Dance & Youth Theatre) and the Christmas Pantomime Aladdin. The showcases for the Youth Dance and Drama groups never fail to bring large audiences and add to the wealth of community shows, which the theatre provides all year round. The Maltings now attracts over 150 young dancers who attend classes weekly and is also the centre for the local Ballet School. Over 110 children attend Junior Drama classes each week.

The "Roots & Shoots" dance project has been a huge success throughout the year with many excellent dance companies performing and providing workshops. The project was programmed with a very popular and challenging event featuring the work of the Northern Youth Dance which included a piece from local dancers who took part in a workshop the previous weekend. Tin Productions provided a three day workshop for young people which focused on creating new movement. The programme included workshops and performances of many dance forms from Salsa to Flamenco. "Roots & Shoots" is still ongoing and there have been several outstanding dance events connected to the programme. More are planned in 2004-2005, including RJC Dance Productions who will provide a series of workshops with Berwick High School, followed by a public performance.

One of the most important aims of The Maltings is to support, both financially, technically and administratively, The Maltings Community Programme. The programme aims to produce a broad spectrum of work achieving professional standards with non-professional groups and organisations in the areas of performance and community engagement. The programme is open to everyone who is able to give it commitment and it will support training and provide a vehicle for the involvement and entertainment of all sectors of the community.

The Maltings continues to be a pleasant, welcoming centre for the arts; an accessible friendly place, reaching out to a wide area and to all ages and taste. In addition, it provides hire facilities for conferences, meetings and training sessions for many organisations throughout the region and has successfully developed this use of the building throughout the year. The Berwick-upon-Tweed branch of the University of the 3rd Age is now based within The Maltings and an excellent wide ranging programme is available to members.

The Maltings' much admired and unique Third Age Programme, funded initially by the Kellett Fund, which offers free theatre seats and transport to the older and disabled patrons on a monthly basis, continues to thrive and has over 400 patrons. Alternative funding sources are being researched to ensure the future of the programme. The project aims to enable Third Age clients to become actively involved in a stimulating, accessible, social calendar of events. A new series of Tea Dances have proved particularly successful in 2003-2004. Forum members of the Third Age Programme have successfully hosted "Showing & Sharing" days. These days provided an extensive interactive exhibition of work, arts and crafts and hobbies. The Forum has contributed £1,650 in fund-raising initiatives throughout the year.

The Maltings will be a key player in delivering the Boroughs' Cultural Strategy and plays a full part on several Local Strategic Partnership Boards: Culture and Tourism, Education and Lifelong Learning and Environment and Sustainability.

There are many new projects and initiatives planned for the coming year which will further cement The Maltings' relationship with the region and to ensure its place in the community as a much needed social, educational, tourism and leisure resource.

8. Review of Transactions and Financial Position

The year 2003-2004 has been a year of consolidation, following three years of positive and radical change. Two stabilisation grants were received in the financial year 2000-2001, enabling an innovative management structure to redefine The Maltings' role in relation to the arts and their delivery. Responsibility for the overall running of the organisation was split three ways - Administrator/Finance; Marketing/Fund-Raising Manager; Education/Outreach Manager - with a strong emphasis on fund-raising and a high profile public relations campaign. In the last eighteen months two of these key managers have left The Maltings. Following the operational review completed by Roger Lancaster, it has now been possible to identify the requirements for a leading role with responsibility for taking the organisation forward into a new period of development. The new Arts Manager will work closely with Berwick-upon-Tweed Borough Council, consolidating The Maltings' position as the main delivery mechanism for Arts provision within the Borough, and building a new close relationship with the main funders. He will fill a strategic role and have responsibility for the creation of a new Business Plan within a newly considered and appropriate 'vision' for the organisation. A long term vision on programming, outreach and community work will bring a new dynamism and sense of purpose which will be of benefit to the whole Borough.

The grant funding agreement for the provision of arts development, theatrical, educational, outreach and community services has been guaranteed by Berwick Borough Council with an inflationary increase set in line with the change in the Retail Price Index for 2004-2005. Berwick Borough Council have agreed to defer the loan repayment of £10,000 in 2004-2005.

The overall operating surplus for the year was £2,104, after a contribution of £15,000 had been made to the Refurbishment Reserve Fund. The balance sheet improved from a surplus position of £80,457 in 2002-2003 to a surplus of £80,612 in 2003-2004. The results were an improvement of £22,574 on the budgeted outcome for the year.

Overall a saving of £20,041 on overhead expenditure had been accomplished, mainly due to the decrease in staffing levels. Hires increased dramatically for all spaces within the building and the outcome was an improvement of £4,964 over budget.

Additional to the operational grants of Berwick Borough Council and the Arts Council England, North East were grants of £5,000 each from the Sir James Knott Trust and The Joicey Trust. A total of £3,015 in programming grants were received throughout the year from the Arts Council England, North East, Early Music Network and Berwick Borough Council - Union of the Crowns.

It has not been possible to pursue sponsorship opportunities in 2003-2004 due to severe staffing shortages. However, a successful grant application of £19,901 to Youth Music enabled a vibrant and challenging community project - 'Hamlet - A Trash Opera' to take place, involving over 1,000 participants. Other funding for the Hamlet project came from the Arts Council England, North East and English Heritage. The Arts Council England, North East approved a successful grant application of £4,954 towards the recruitment costs of the new Arts Manager.

Restricted funds continue to support initiatives, projects and outreach staff costs which are ongoing. The Northern Rock Foundation continued to support the Music Co-ordinator post in 2003-2004 and will fund the position until September 2004. The Arts Council England, North East funded the post of Drama Worker in 2003-2004. Barclays Bank funded the post of Dance Worker in 2003-2004 and are committed to fund year three. A Junk Music Project has been supported by the SITA Environmental Trust with a grant of £4,500. New funding from The Robertson Trust of £5,000 has supported outreach projects and workshops for children and young people living in the Scottish Borders.

For the year 2004-2005, a reasonably cautious budget has been approved, but requires the raising of £6,500 by means of donations and sponsorship and a further £25,000 in other grant funding. It is considered that for the current year, this is an achievable target.

9. Directors' Interests

The Directors, as Trustees of the Company, have subscribed to guarantee the sum of £1.00 each to the debts of the Trust in the event of a winding up. As members of The Maltings Trust they personally pay an annual membership fee of £5 per annum.

The Directors have no other financial interests in The Maltings and all of their time and services are provided on an entirely voluntary basis.

10. Directors Responsibilities

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 Company as at the end of the year and of its profit or loss for the financial year. In preparing the financial statements, the Directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and prepare the

financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Private Sector Support

An organisation such as The Maltings, whilst largely publicly funded, cannot thrive and survive without active support from the community.

In this respect we are indebted for the considerable level of support we receive from our supporters, in particular through the Friends of The Maltings who, not only channel financial support to us, but also provide invaluable voluntary service through their stewarding system and in other ways.

Direct support also comes from other Trusts, businesses and organisations which is again much appreciated and indeed the Trust Membership itself.

We would like to take the opportunity to thank those individuals, Trusts, businesses and organisations who have supported us by either sponsoring shows, supporting our community projects or supporting our outreach work.

We hope to build on the support we receive from the community in years to come and believe as local authority budgets come under increasing pressure, this will become increasingly essential to ensure our survival.

12. Risk Management

The Board of Directors have always taken seriously the risks to which The Maltings is exposed. With additional emphasis on risk within SORP 2000, the Board has recently reviewed those risks. Systems are being developed to further mitigate them and three major areas of risk have received special attention:

(a) The protection of The Maltings' reputation - The public image and reputation of The Maltings is of critical importance to its success not only for its work within the community but also the financial support, grants, donations and sponsorship necessary to continue that work.

(b) The continuing availability of finance - The Maltings relies on Berwick Borough Council and the Arts Council England, North East for the bulk of its funding and it is of paramount importance that funding packages are secured well into the future. The Board is continuing to investigate new sources of core-funding and reviewing the current core-funding position. The Boards' objective is to make the best and early use of resources but retain sufficient resources to ensure the continuing effective performance of the activities they have authorised. It is therefore also important to establish an appropriate level of reserves as set out later in this report.

(c) The health, safety and welfare of volunteers and staff - It is the Boards' objective to ensure the health, safety and welfare of both its employees and its volunteers. Risk assessment and elimination is fundamental to The Maltings health and safety policies.

13. Investment policy and performance

The Board's investment powers are set out in the Trustee Act 2000. The Maltings can invest until needed any part of its capital or income not required for the immediate running of the organisation. The financial year 2003-2004 produced a return of £1,880 from interest received on deposit accounts. It is the Boards' objective to provide the best possible return from investments, however funds are limited.

14. Reserves

The reserves policy of the company is to maintain a level of free reserves that will enable the Maltings to ensure a continuity of activity and the ability to adjust, in a measured way, to any significant changes in resources. As part of the 2004 budget process the definition of free reserves was reviewed and further consideration was given to the appropriate minimum level. It was agreed that the minimum level of reserves be 25% of the budgeted operating expenditure and a normal working level of reserves equal to 50% of the budgeted operating expenditure. These figures are £62,200 and £124,400 respectively. As can be seen on the balance sheet, the actual level of free reserves is below the current minimum as core-funding is insufficient to provide this. The Board is considering ways in which this can be corrected.

15. Fixed Assets

Movement in Fixed Assets are shown in Note 2.

16. Auditors

The Auditors, Messrs. Greaves West & Ayre, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

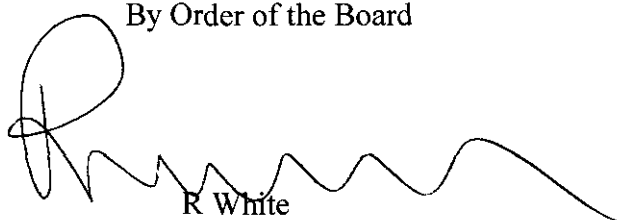
17. Exemptions

In preparing this report, the Directors have taken advantage of special exemptions available to small companies, conferred by Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

Registered Office:
Council Offices
Wallace Green
Berwick-upon-Tweed
TD15 1ED

Date: 13th July 2004.

By Order of the Board



R White
Chairman/Director

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
THE MALTINGS (BERWICK) TRUST**

We have audited the financial statements of The Maltings (Berwick) Trust for the year ended 31st March 2004, which comprise the Statement of Financial Activities, the Balance Sheet, the Profit and Loss Account, the Statement of Reserves and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Trust's members as a body, in accordance with Section 235 of the Companies Act 1985 and with the Charities Act 1993. Our Audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of The Maltings (Berwick) Trust for the purposes of company law) responsibilities for preparing the Trustees and Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read other information contained in the Trustees and Directors' Annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

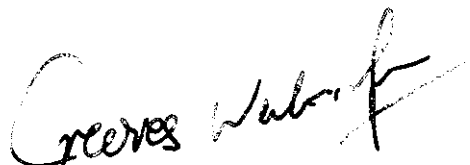
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31st March 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GREAVES, WEST & AYRE
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
BERWICK-UPON-TWEED

Date: 14th July 2004.

THE MALTINGS (BERWICK) TRUST

BALANCE SHEET AS AT 31ST MARCH 2004

2002-2003		2003-2004	
£			£
	FIXED ASSETS	NOTES	
41,431	Tangible Assets	2	32,631
	CURRENT ASSETS		
2,149	Stocks		2,300
4,287	Debtors	3	3,038
9,868	Prepayments		12,728
104,850	Cash at bank and in hand		107,821
-----			-----
121,154			125,887
	CURRENT LIABILITIES		
33,511	Creditors - Amounts Falling Due Within One Year	4	27,952
3,217	Prepaid Income	11	9,954
5,000	Deferred Income	11	-
-----			-----
41,728			37,906
79,426	NET CURRENT ASSETS		87,981
-----			-----
120,857	TOTAL ASSETS LESS CURRENT LIABILITIES		120,612
	CREDITORS		
(40,400)	Amounts Falling Due After More Than One Year	5	(40,000)
-----			-----
(40,400)			(40,000)
80,457	NET ASSETS / LIABILITIES	17	80,612
=====			=====
	REPRESENTED BY :-		
	UNRESTRICTED FUNDS		
(31,898)	Revenue Account	6b	(29,793)
38,127	Designated Fund: Refurbishment Reserve		53,127
30,752	Designated Fund - Capital		19,454
	RESTRICTED FUNDS	17	
156	Youth Dance Account	7	156
545	Youth Theatre Account	7	100
555	Community Company Account	7	628
6,676	Third Age Project	7	3,584
5,510	Barclays Bank - Community Projects	7	12,591
4,402	Drama Worker	7	5,646
19,062	Roots & Shoots Project	7	4,802
-	The Robertson Trust	7	2,000
-	SITA Project	7	2,887
966	Awards For All	7	-
5,604	Northern Rock Foundation - Music Co-ordinator	7	5,430
-----			-----
43,476			37,824
-----			-----
80,457			80,612
=====			=====

In preparing these accounts, the Directors have taken advantage of special exemptions available to small companies, under Part V11 of the 1985 Companies Act and the Financial Reporting Standard for Smaller Entities, on the grounds that the company qualifies as a small company for the year ended 31st March 2004.

MR R WHITE (CHAIRMAN)

DR C E SHAW (VICE CHAIRMAN)

Date: 13th Feb 2005

THE MALTINGS (BERWICK) TRUST

PROFIT AND LOSS FOR THE PERIOD 31ST MARCH 2004

2002-2003		2003-2004	
£		£	
184,666	Turnover	1(d)	224,269
(131,866)	Cost of Trading Activities		(180,435)
-----			-----
52,800	Gross Profit		43,834
169,024	Other Operating Income (Grants)		170,331
-----			-----
221,824			214,165
(212,636)	Overhead and Direct Expenses		(198,941)
-----			-----
9,188	Operating Surplus/Deficit	8, 9	15,224
2,227	Other Income - Interest		1,880
-----			-----
11,415	Surplus/Deficit from Ordinary Activities Before Taxation		17,104
(6,000)	Transfer to Reserves		(15,000)
-----			-----
5,415			2,104
=====			=====

STATEMENT OF RESERVES - OPENING AND CLOSING FUNDS

	2002-2003 £	2003-2004 £
Designated Refurbishment Reserve	38,127	-
Designated Capital Fund	30,752	(11,298)
Restricted Community Company Account	555	73
Restricted Youth Theatre Account	545	(445)
Restricted Youth Dance Account	156	-
Restricted Robertson Trust Projects	-	2,000
Restricted Third Age Project	6,676	(3,092)
Restricted Barclays Community Projects	5,510	7,081
Restricted Drama Worker	4,402	1,244
Restricted Roots & Shoots Project	19,062	(14,260)
Restricted Awards For All	966	(966)
Restricted SITA Project	-	2,887
Restricted Nothem Rock - Music Co-ordinator	5,604	(174)
Unrestricted Revenue Reserve	(31,898)	17,105
Total	80,457	(15,000)
Balance B/Fwd	67,675	-
Net incoming resources	12,782	-
Transfers between funds	-	-
Balance C/Fwd	80,457	80,612

THE MALTINGS (BERWICK) TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2004

2003

Total Funds	INCOME AND EXPENDITURE	Notes	Unrestricted Funds	Designated Refurbishment Reserve Fund	Designated Capital Fund	Restricted Income Funds	Total Funds
Incoming Resources							
	Income from Trading Activities within the Objective of the Charity		149,157	-	-	-	149,157
144,492	Grants Received		264,161	-	-	71,417	335,578
361,245	Less: Deferred Income	11	-	-	-	-	-
(5,000)	Interest on Bank Deposits		1,880	-	-	-	1,880
2,227	Donations / Sponsorship Received		1,153	-	-	-	1,153
8,506	Other Incoming Resources		2,542	-	-	-	2,542
2,401							
513,871	Total Incoming Resources		418,893	-	-	71,417	490,310
Resources Expended							
	Cost of Generating Funds - Fund-raising - Employee and Office Costs		(3,470)	-	-	-	(3,470)
(7,044)	Direct Charitable Expenditure	12	(356,662)	-	(11,298)	(77,069)	(445,029)
(447,461)	Publicity and Promotions	13	(16,240)	-	-	-	(16,240)
(17,477)	Management and Administration of the Charity	14	(25,416)	-	-	-	(25,416)
(29,107)							
(501,089)	Total Resources Expended	15	(401,788)	-	(11,298)	(77,069)	(490,155)
	Net Income / (Outgoing) Resources Before Transfers		17,105	-	(11,298)	(5,652)	155
12,782	Transfers Between Funds	16	(15,000)	15,000	-	-	-
-							
12,782	Net Income / (Outgoing) Resources For The Year		2,105	15,000	(11,298)	(5,652)	155
	Net Movement In Funds		2,105	15,000	(11,298)	(5,652)	155
12,782							
67,675	Total Funds Brought Forward		(31,898)	38,127	30,752	43,476	80,457
	Total Funds Carried Forward	17	(29,793)	53,127	19,454	37,824	80,612

THE NOTES ON PAGES 15 TO 23 FORM PART OF THESE ACCOUNTS

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004

1. Accounting Policies

a) **Basis of Accounting**

The accounts are prepared under the historic cost convention, in accordance with the Companies Act 1985, applicable accounting standards and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000).

b) **Going Concern**

The accounts are prepared on a "going concern" basis which assumes the ongoing support of the Company's Bankers and principal grant providers Berwick-upon-Tweed Borough Council and the Arts Council England, North East. The core-funding from Berwick-upon-Tweed Borough Council has been secured for a further year and the Arts Council England, North East has been secured for a further two years.

On this basis the Board continue to prepare the accounts on the basis that The Maltings remains a going concern. In the event of withdrawal or major reduction in funding, the use of this basis may need to be reviewed.

c) **Fixed Assets, Grants and Depreciation**

Fixed Assets are capitalised at cost and written off over the expected useful lives. The depreciation rates used are as follows.

Office Equipment and Furnishings	15% Reducing Balance
General - Technical Equipment	20% Reducing Balance
Computer Equipment and Software	25% Straight Line
Kitchen and Catering Equipment	10% Straight Line
General - Cinema Equipment	10% Straight Line
Cafe - Fixtures & Fittings	10% Straight Line
Lighting and Sound Equipment	20% Straight Line

All capital expenditure prior to 31st March 1991 has been fully funded by grants and donations. Fixed Assets purchased prior to 31st March 2000 were capitalised at net cost after deduction of donations and grants towards their cost. Grants towards capital items are now treated as income to a designated fund and amortised over the capital life of the assets required. Fixed assets are reviewed regularly for impairment and written down to their recoverable amount where necessary.

d) **Recognition of Income & Expenditure**

Pre-production costs of events are recognised on the production date. Income from productions is recognised on the production date. Donations and grants, including grants for the purchase of fixed assets are recognised when receivable, unless donors specify that grants must be used in future accounting periods, in which case the grant is deferred until those periods. When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included as restricted income when receivable.

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

Accounting Policies Continued

e) Resources Expended

Resources expended are included on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those expenditure categories. Other costs, which are attributable to more than one activity are apportioned on the basis of an estimate of the proportion of time spent by staff on those activities.

f) Turnover

Turnover consists of tickets for events, bar and confectionery income, lettings, donations, sponsorship, sundry income, outreach and project income arising during the period net of value added tax.

g) Stocks

Stocks include items for resale and are valued at the lower of cost or net realisable value.

h) Property Improvements

Expenditure on property improvements is written off as incurred as the Trust has no future legal interest in such expenditure.

i) Pension Scheme

Eligible staff are admitted to The Local Government Pension Scheme, operated by Northumberland County Council. This is a defined benefit scheme.

The employer's contribution is set at the rate required to maintain the solvency of the fund. The rate is reviewed every three years by an independent actuary, and takes account of the liabilities imposed on the fund by that employer's workforce and pensioners. In the period between fund valuations Northumberland County Council is required to monitor actual events against the assumptions made by the actuary in setting the employers' contribution rate and make any necessary adjustment, should these assumptions be exceeded.

The most recent actuarial valuation was undertaken by Bacon and Woodrow at 31st March 2001 and showed a funding level of 90%. Full details of the actuarial valuation can be obtained from The Pensions Section, Exchequer Services Division, Northumberland County Council, County Hall, Morpeth, NE61 2EF. The next actuarial valuation will be available in early December 2004.

Two employees are currently members of this pension scheme and contributions for the year amounted to £3,239. There were no outstanding contributions at the year end.

All other staff are entitled to join a Stakeholder Pension scheme to which the Company does not contribute.

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

Accounting Policies Continued

j) Fund Accounting

The Revenue Fund is an unrestricted fund, which is available for use at the discretion of the Directors in furtherance of the general objectives of the charity. Designated funds comprise funds set aside specifically by the Directors for particular purposes.

The Refurbishment Reserve Fund is a designated fund which aims to provide a fund for the replacement of fixtures and fittings, by setting aside an annual provision. The Directors are reviewing their current replacement policy and intend to assess an appropriate annualised replacement charge.

The designated Capital Fund represents grants and donations received for the restricted purchase of capital items, which have been transferred to the designated fund on purchase to be written down by depreciation charges over their remaining useful economic lives.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors or raised for particular purposes. Costs relating to these funds are charged against the specific fund.

Restricted funds comprise:-

Restricted Income Fund: for specific purposes and projects -

The Youth Dance Account: for youth dance projects only.

The Youth Theatre Account: for youth theatre projects only.

The Community Company Account: for community projects only.

The Third Age Project: for the provision of free theatre tickets and transport for the elderly only.

Barclays Bank Community Projects: for community projects and funding the salary of the Dance Worker.

Drama Worker: for funding the salary and travel of the Drama Worker only.

Roots & Shoots: for funding the complete programme of dance only.

Awards for All: for funding musical workshops and musical instruments only.

Northern Rock Foundation: for funding the salary and travel of the Music Co-ordinator for three years only.

The Robertson Trust: for funding community projects in Scotland only.

SITA Project: for funding community projects using recycled materials only.

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2 Fixed Assets

	Computer Equipment & Software	Office Equipment	General Equipment	Kitchen Equipment	Total
	£	£	£	£	£
Cost					
Brought Forward	19,488	3,427	100,985	6,161	130,061
Grants and Donations	(7,726)	(3,427)	(26,282)	-	(37,435)
	11,762	-	74,703	6,161	92,626
Additions	3,224	-	2,896	-	6,120
Donations	-	-	-	-	-
Disposals Net of Donations	-	-	-	-	-
	3,224	-	2,896	-	6,120
Depreciation					
Brought Forward	8,166	-	36,868	6,161	51,195
Charge this Year	2,946	-	11,974	-	14,920
On Disposals	-	-	-	-	-
	11,112	-	48,842	6,161	66,115
Net Book Value 2004	3,874	-	28,757	-	32,631
Net Book Value 2003	3,596	-	37,835	-	41,431

All assets are held for use in the direct furtherance of the objectives of the Charity.

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	2004	2003
	£	£
3 Debtors: Amounts Falling Due Within One Year		
Debtors	3,038	4,287
	<hr/>	<hr/>
	3,038	4,287
	<hr/>	<hr/>

4 Current Liabilities

Creditors: Amounts Falling Due Within One Year

Trade Creditors	23,835	18,395
Accrued Charges	4,117	5,116
Berwick Borough Council Loan (Deferred 2004-2005)	-	10,000
Prepaid Income: Advanced Ticket Sales	9,920	3,207
Prepaid Income: Trust Membership / Card Sales	34	10
Deferred Income: Grants	-	5,000
	<hr/>	<hr/>
	37,906	41,728
	<hr/>	<hr/>

The loan from Berwick-upon-Tweed Borough Council totals £40,000. The loan repayment due in 2004-2005 have been deferred. The loan is unsecured and interest free.

5 Liabilities: Amounts Falling Due After More Than One Year Due in 2 - 5 years

	£	£
Berwick-upon-Tweed Borough Council Loan	40,000	40,000
Catering - Returnable Deposit	-	400
Deferred Income - Grants	-	-
	<hr/>	<hr/>
	40,000	40,400
	<hr/>	<hr/>

6 (a) Share Capital

- (a) The company is limited by guarantee and has no share capital.
(b) There are no permanent endowment funds.

(b) Revenue Account

	£	£
Balance brought forward	(31,898)	(37,313)
Loss / Profit for the financial year	17,105	11,415
Transfer to Refurbishment Reserve	(15,000)	(6,000)
	<hr/>	<hr/>
Balance at 31st March 2004	(29,793)	(31,898)
	<hr/>	<hr/>

7 Group Accounts: Restricted Income Funds

Youth Dance Account	£	£
Balance at 31st March 2003	156	156
Donation received	-	-
Expenditure during the year	-	-
	<hr/>	<hr/>
Balance at 31st March 2004	156	156
	<hr/>	<hr/>

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	2004 £	2003 £
Youth Theatre Account		
Balance at 31st March 2003	545	545
Donation received	-	-
Expenditure during the year	445	-
	<hr/>	<hr/>
Balance at 31st March 2004	100	545
	<hr/>	<hr/>
Community Company Account		
Balance at 31st March 2003	555	295
Donation received	107	260
Expenditure during the year	34	-
	<hr/>	<hr/>
Balance at 31st March 2004	628	555
	<hr/>	<hr/>
The Robertson Trust Projects		
Balance at 31st March 2003	-	-
Donation received	5,000	-
Expenditure during the year	3,000	-
	<hr/>	<hr/>
Balance at 31st March 2004	2,000	-
	<hr/>	<hr/>
SITA Project		
Balance at 31st March 2003	-	-
Donation received	4,500	-
Expenditure during the year	1,613	-
	<hr/>	<hr/>
Balance at 31st March 2004	2,887	-
	<hr/>	<hr/>
Third Age Project		
Balance at 31st March 2003	6,676	2,529
Donation received - Kellet Fund	-	8,000
Donation received - Newcastle Building Society	600	-
Donation received - ARRIVA Fund	300	-
Donation received - Nrth. Northumberland Rural Transport	-	1,233
Donation Received - 3rd Age Fundraising Events	1649	987
Donation received - NORDAF	-	850
Expenditure during the year	(5,641)	(6,923)
	<hr/>	<hr/>
Balance at 31st March 2004	3,584	6,676
	<hr/>	<hr/>
Barclays Bank - Community Projects		
Balance at 31st March 2003	5,510	5,221
Donation received - Barclays Bank	11,081	-
Transfers between funds	-	4,289
Expenditure during the year	(4,000)	(4,000)
	<hr/>	<hr/>
Balance at 31st March 2004	12,591	5,510
	<hr/>	<hr/>
Drama Worker - Salary and Travel		
Balance at 31st March 2003	4,402	4,400
Donation received - Arts Council England	7,500	7,500
Transfer - Barclays Bank	-	1,221
Expenditure during the year	(6,256)	(8,719)
	<hr/>	<hr/>
Balance at 31st March 2004	5,646	4,402
	<hr/>	<hr/>

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	2004	2003
	£	£
Roots & Shoots Project		
Balance at 31st March 2003	19,062	11,081
Donation received - Barclays Bank	-	-
Donation received - Regional Arts Lottery Programme	-	18,000
Donation received - Friends of The Maltings	-	1,500
Donation received - Esmee Fairbairn Foundation	-	2,000
Transfer - Barclays Bank contribution - £5,571	-	(5,510)
Expenditure during the year	(14,260)	(8,009)
	<hr/>	<hr/>
Balance at 31st March 2004	4,802	19,062
	<hr/>	<hr/>
Awards For All - Musical Instruments		
Balance at 31st March 2003	966	-
Donation received - Awards For All	-	966
Expenditure during the year	966	-
	<hr/>	<hr/>
Balance at 31st March 2004	-	966
	<hr/>	<hr/>
Northern Rock Foundation - Music Co-ordinator		
Balance at 31st March 2003	5,604	5,490
Donation received - Northern Rock Foundation	10,000	10,000
Expenditure during the year	(10,174)	(9,886)
	<hr/>	<hr/>
Balance at 31st March 2004	5,430	5,604
	<hr/>	<hr/>

Sufficient resources in the form of cash at bank are held on restricted funds to allow them to be applied to meet their purposes in accordance with the restrictions imposed.

8 Operating Surplus/(Deficit)

Operating Surplus/Deficit is stated after charging the following items:

	£	£
Audit Fee	2,500	3,456
Depreciation	14,920	14,880

The Auditors also received £1,500 for payroll services.

9 Staff Costs

Wages & Salaries	134,836	119,052
Social Security Costs	7,856	5,723
Pension Costs	3,239	3,085
Outsourced Services	11,656	31,583
	<hr/>	<hr/>
	157,587	159,443
	<hr/>	<hr/>

The average number of staff during the year was 16 (2003 -17)
2 full-time and 14 part-time.

The pension scheme is a defined benefit scheme - see note 1 (i) - covering two members of staff.
No employee earned £50,000 p.a. or more.

Trustee Indemnity Insurance has been taken out at a cost of £473.

No remuneration was paid or expenses reimbursed to trustees or to any persons connected with them.

10 Taxation

The Company's activities as a registered charity to promote the Arts are understood not to be liable to Corporation Tax.

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

11 Deferred Income

	Ticket Sales	Trust Fees / Card Sales	Grants	Total
	£	£	£	£
Balance at 1st April 2003	3,207	10	5,000	8,217
Amount released to incoming resources	(3,207)	(10)	(5,000)	(8,217)
Amount deferred in the year	9,920	34	-	9,954
Balance at 31st March 2004	9,920	34	-	9,954

Deferred income comprises ticket sales, trust fees and card sales received in advance and grants which the donor has specified must be used in future accounting periods, and which meet the criteria for deferral as set out in SORP 2000.

12 Direct Charitable Expenditure

	Unrestricted Funds	Restricted Funds	Designated Funds	Total 2004	Total 2003
	£	£	£	£	£
Programmed Events Costs	85,977	38,181	-	124,158	95,190
Employee Costs	85,561	29,667	-	115,228	117,175
Staff Recruitment, Training and Subsistence	1,020	4,954	-	5,974	2,220
Cost of Bar & Confectionery Sales & Expenses	23,041	-	-	23,041	21,202
Premises Costs	50,030	1,200	-	51,230	45,096
Marketing / Outreach / Projects - Office Costs	8,835	2,567	-	11,402	10,762
Subscriptions, Licences and Technical	4,746	500	-	5,246	4,456
Other Direct Cost: Depreciation	3,622	-	11,298	14,920	14,880
Asset Rentals	93,830	-	-	93,830	136,480
	356,662	77,069	11,298	445,029	447,461

13 Publicity and Promotions

Publicity and Advertising	16,240	-	-	16,240	17,477
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14 Management and Administration of the Charity

Office Expenses	2,025	-	-	2,025	2,024
* Audit Fees - £2,500 less £956 (2002-2003)	1,544	-	-	1,544	4,110
Professional Fees	1,810	-	-	1,810	1,540
Bank and Credit Card Expenses	2,787	-	-	2,787	2,725
Employee Costs	17,250	-	-	17,250	18,708
	25,416	-	-	25,416	29,107

15 Total Resources Expended

	Staff Costs	Depreciation	Other	Total 2004	Total 2003
	£	£	£	£	£
Cost of Generating Funds	1,970	-	1,500	3,470	7,044
Direct Charitable Expenditure	138,367	14,920	291,742	445,029	447,461
Publicity and Promotions	-	-	16,240	16,240	17,477
Management & Administration of the Charity	17,250	-	8,166	25,416	29,107
	157,587	14,920	317,648	490,155	501,089

* Audit Fees 2002-2003 over estimated by £956

THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

16 Transfers Between Funds

	Unrestricted Revenue Fund	Designated Refurbishment Reserve Fund	Designated Capital Fund	Restricted Project Funds	Total Funds
	£	£			
For replacement of fixtures & fittings and infrastructure	(15,000)	15,000	-	-	-
Net transfers between funds	(15,000)	15,000	-	-	-

17 Analysis of Net Assets Between Funds

	Tangible Fixed Assets	Net Current Assets	Liabilities Due After One Year	Total 2004	Total 2003
	£	£	£	£	£
Restricted Funds					
Youth Dance Account	-	156	-	156	156
Youth Theatre Account	-	100	-	100	545
Community Company Account	-	628	-	628	555
The Robertson Trust Projects	-	2,000	-	2,000	-
SITA Project	-	2,887	-	2,887	-
Third Age Project	-	3,584	-	3,584	6,676
Barclays Bank - Community Projects	-	12,591	-	12,591	5,510
Drama Worker	-	5,646	-	5,646	4,402
Roots & Shoots Project	-	4,802	-	4,802	19,062
Awards For All	-	-	-	-	966
Northern Rock Foundation - Music Co-ordinator	-	5,430	-	5,430	5,604
Designated Funds					
Refurbishment Reserve Fund	-	53,127	-	53,127	38,127
Capital Fund	19,454	-	-	19,454	30,752
Unrestricted Funds					
Revenue Account	13,177	(2,970)	(40,000)	(29,793)	(31,898)
	32,631	87,981	(40,000)	80,612	80,457

Sufficient resources are held within each restricted fund to allow each fund to be applied for its intended purpose

18 Operating Lease Commitment

At 31st March 2004 the company was committed to making the following payments during the year in respect of operating leases:

	Office Equipment	
	2004	2003
Leases which expire within 3 years	£1,433	£1,395

An asset rental adjustment of £93,830 is made for the use of the building which is in the ownership of Berwick-upon-Tweed Borough Council. A formal lease is presently being finalised.

19 Related Party Transactions

All related party transactions are carried out on an "Arm's Length" basis within the normal course of business. Mrs E M A Hardie, Director, is also a Director of Martins the Printers. During the year the company purchased goods and services worth £6,693 from Martins the Printers. At the year end there was no balance due to Martins the Printers.