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# ***THE MALTINGS (BERWICK) TRUST***

## ***TRUSTEES' REPORT***

### ***AND ACCOUNTS***

***2001/2002***

***Company Registration No : 2332073 (England)***

***Registered Charity No : 701194***



## THE MALTINGS (BERWICK) TRUST

**Directors:**

R.B.T.Black (resigned 8th February 2002) \* \*\*  
I.C.Cowe (resigned 2nd May 2001)  
Mrs E.M.A.Hardie \*  
F.Maxwell (resigned 10th March 2002)  
E.S.Rathbone (appointed 2nd May 2001) \* \*\*  
A.M.Sanderson (appointed 7th November 2001)  
C.E.Shaw (Vice Chairman) \*  
R.White (Chairman) \* \*\*

Councillor E.Breckons  
Councillor I.McGregor  
Councillor J.E.Smith \*\*  
Councillor M.S.Weightman

\* Member of the Management Group  
\*\* Member of the Audit Committee

**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 2002**

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 2002. 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 2002 were:-

R.B.T.Black (resigned 8th February 2002)  
I.C.Cowe (resigned 2nd May 2001)  
Mrs E.M.A.Hardie  
F.Maxwell (resigned 10th March 2002)  
E.S.Rathbone (appointed 2nd May 2001)  
A.M.Sanderson (appointed 7th November 2001)  
C.E.Shaw (Vice Chairman)  
R.White (Chairman)

Councillor E.Breckons  
Councillor I.McGregor  
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 several difficult years, The Maltings received two stabilisation grants in last financial year, one from the Regional Arts Lottery programme and one from the SRB Programme. This began the regeneration process in this financial year and offered a lifeline from which a chain of additional funding opportunities were successfully achieved. The region needed a centre where the community could be served with a diverse menu of arts events and community projects. The most significant change has been the added interest from commercial partners, and Barclays Bank offered the largest single donation to support The Maltings Community Theatre programme.

The most recent Regional Arts Lottery Programme application has secured an award of £20,000 in support of a year of dance from July 2002, including a dance worker's post. Unprecedented continuing support from Barclays Bank was offered after the success of the first year's programme, not only to continue with the support for the Maltings Community Theatre but also to finance the second and third years of the dance post. The creation of three new arts workers in the community has encouraged an additional 21% increase to The Maltings' LADA grant from Northern arts for the financial year 2002-2003. There was also considerable support obtained from local

businesses and the first New Partners grant was awarded to support a local printing company's sponsorship figure. Smaller but no less significant sums have been obtained through the matched funding of single first time business sponsors by the Sponsors Club for Arts and Business.

The Maltings executive team worked hard together to deliver the ambitious and far-reaching programme of education and outreach work, community projects and new arts management objectives. The Maltings is now considered a model for arts management and development and a flagship facility in North Northumberland. The Arts Centre now provides a wide range of live entertainment, music and film across a broad spectrum of taste and for all ages. The programme has been of a more eclectic nature, with the emphasis on regaining existing and building new audiences. It is important to balance the programme of events, mixing popular with the classics and therefore reaching the widest possible audience. From Ska Rock nights to the Avison Ensemble, the music programme continues to appeal universally with a particularly heartening increase in the classical and early music audiences, enhanced by the fact that The Maltings has regained its status as an Early Music Fund Holder, which has attracted a two year grant for early music events.

The year has also seen welcome returns from classical opera companies and both the European and Russian Ballet. The Maltings was also key to the organisation of the Allegri Quartet's Northern Tour. Full houses are now becoming regular occurrences for events such as the Glenn Miller Tribute Orchestra and popular evening film showings of current blockbusters, dressed to appeal a second time around, with special themed meals and social occasions. The film programme also includes showings of local archive footage and new films from local youth projects which will be developed in the future. The Maltings has gained an excellent reputation for community productions, which have involved up to 125 local people each time they performed. 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 130 young dancers who attend classes weekly and is also now the centre for the local Ballet School.

The Maltings provides an outreach drama class network to five townships and includes towns across the Scottish Border in association with Borders Youth theatre, involving over 120 youngsters in regular weekly drama workshops. This network will continue to be developed throughout the area. The Maltings is now the host for a drama and movement class for people with learning difficulties and through the second successful lottery application can now provide up to thirteen wheel chair bays in the theatre as well as the best disabled facilities available for a provincial theatre of this size. The outreach programmes have now been established with a record of early success, particularly in respect of relationships with local schools and community groups. More demanding events and outreach projects are planned.

The Maltings now has a unique Third Age Programme, which offers free seats to the older and disabled patrons on a monthly basis funded by the Kellet Fund. The visit to the theatre includes free transport for patrons, which is funded by Social Services and North Northumberland Rural Transport Partnership. The programme has been well received by the community and there are now almost 300 older patrons. The Maltings is researching alternative funding sources to ensure the future of the programme.

The Maltings has used its new communications systems to become the central hub for a network of voluntary organisations, which have joined The Maltings Local Arts Development Agency or LADA Network, now totalling over 140 members. The Maltings LADA Network has attracted a Community Development Fund grant to buy a complete and comprehensive set of demountable exhibition screens for use by network members and community groups, who have need of them within their own outreach venues for exhibition purposes.

The internal executive team continue to form strong relationships and the radical concept of a collegiate management structure is clearly working well, demonstrated by a marked improvement in internal morale and therefore a great increase in energy and enthusiasm, which is automatically transported to audiences and patrons.

Above all, The Maltings is now considered a pleasant, welcoming centre for the arts; an accessible friendly place, reaching out to a wide area and to all ages and tastes. There is still much to be done but The Maltings is better prepared for a stable and exciting future. Many new projects will be completed in the new financial year and all newly established outreach work will be developed to full potential.

#### 8. Review of Transactions and Financial Position

Following the receipt of stabilisation grants in the financial year 2000-2001, the year ended 31st March 2002 was very much a year of progress and consolidation.

The stabilisation plan included a change of relationship with Berwick Borough Council to a contractual one - a three year contract with inflation increases set as the change in Retail Price Index, for the provision of theatrical and other services to the Borough through to 2003-2004. The Maltings accepted administrative responsibilities for certain functions previously provided by the Council and these extra responsibilities have been successfully administered throughout 2001-2002.

As the stabilisation plan developed, the regeneration process began which resulted in additional funding awards, grants, donations and sponsorship being achieved. The overall operating surplus for the year was £37,525, £2,204 on the Income Account and £35,321 on the Capital Account. The balance sheet improved from a deficit position of £11,535 - 2000-2001 to a surplus of £67,675 - 2001-2002.

The Maltings had not received any funding or acquired accumulative reserves for large scale capital replacements since it opened. The technical and theatre equipment was over twelve years old, with many items, such as the lighting desk, being obsolete. The year saw a huge investment in new equipment which was desperately needed to carry out the activities of The Maltings in an effective and professional framework.

#### Technical, General and Drama Equipment

The following Capital Funding was received in 2001-2002:

The Regional Arts Lottery Programme	- £37,503
The Friends of The Maltings	- £ 1,000
Community Development Fund	- £ 4,979
Community Development Fund	- £ 831

Building Maintenance and Disabled Access Improvements

The following Building Maintenance Funding was received in 2001-2002

The Regional Arts Lottery Programme - £ 2,000

New Signage Fund - Community Ceilidh - £ 972

Additional operational grants of £5,000 each were received from the Sir James Knott Trust, The Joicey Trust and Lloyds TSB Foundation, with an additional donation of £2,500 from Lloyds TSB Foundation.

Donations and Sponsorship were received from many businesses and organisations including Barclays Bank, Catherine Cookson Trust, Bain Swan Architects, Martins the Printers, Maurice Fry Charitable Trust, The Community Foundation, Ord House Country Park, Charity Diners Club, Diageo Foundation, The Maltings Appeal Fund and the Newcastle Building Society Community Fund.

Two new outreach posts were created through funding from Barclays Bank for a Drama Worker - Year 1, with Northern Arts funding Years 2 and 3 and from the Northern Rock Foundation for a Music Co-ordinator for 3 Years. A further new post of a Dance Worker from July 2002 has recently been secured through the Regional Arts Lottery Programme - Year 1, with Barclays Bank funding Years 2 and 3. These appointments will ensure that The Maltings has a wide, varied and educational outreach programme. In addition, funding was received for Berwick Youth Drama Groups from the Community Development Fund.

For the year 2002-2003, a reasonably conservative budget has been approved but requires the raising of £8,000 by means of donations and sponsorship. It is considered that for the current year, this is an achievable target.

Looking forward to future years, the sources of external fund-raising will become increasingly difficult to secure and a major challenge for the Board is to acquire additional ongoing core-funding in the amount of £25,000 to £30,000.

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 Northern Arts 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 2001-2002 produced a record return of £2,300 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 2002 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 £54,500 and £109,000 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.

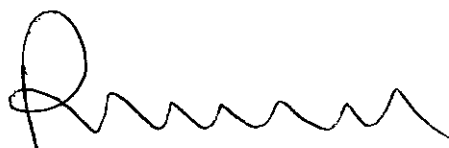
### 17. Exemptions

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: 30 July 2002

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 2002, 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.

**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.

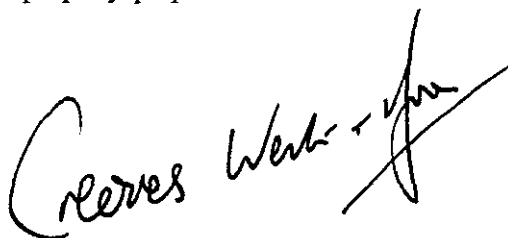
**Basis of audit opinion**

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 2002 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

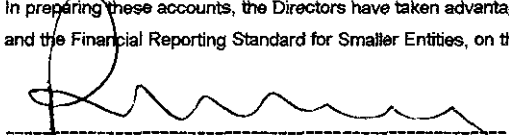
Date : 30<sup>th</sup> July 2002.

## THE MALTINGS (BERWICK) TRUST

## BALANCE SHEET AS AT 31ST MARCH 2002

2000-2001 £				2001-2002 £
	<b>FIXED ASSETS</b>	<b>NOTES</b>		
21,418	Tangible Assets	2		54,856
	<b>CURRENT ASSETS</b>			
1,707	Stocks		2,277	
5,781	Debtors	3	7,148	
8,422	Prepayments		11,055	
94,968	Cash at bank and in hand		97,624	
110,878			118,104	
	<b>CURRENT LIABILITIES</b>			
52,874	Creditors - Amounts Falling Due Within One Year	4	36,094	
6,222	Prepaid Income	11	8,791	
14,335	Deferred Income	11	5,000	
73,431			49,885	
37,447	<b>NET CURRENT ASSETS</b>			68,219
58,865	<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>			123,075
	<b>CREDITORS</b>			
(60,400)	Amounts Falling Due After More Than One Year	5	(50,400)	
(10,000)	Deferred Income	11	(5,000)	
(70,400)			(55,400)	
(11,535)	<b><u>NET ASSETS / LIABILITIES</u></b>	17	<b>67,675</b>	
	<b>REPRESENTED BY :-</b>			
	<b><u>UNRESTRICTED FUNDS</u></b>			
(39,517)	Revenue Account	6b	(37,313)	
20,000	Designated Fund: Refurbishment Reserve		32,127	
7,044	Designated Fund - Capital		42,365	
	<b><u>RESTRICTED FUNDS</u></b>	17		
298	Youth Dance Account	7	156	
345	Youth Theatre Account	7	545	
295	Community Company Account	7	295	
-	RADI Grant	7	779	
-	Third Age Project	7	2,529	
-	Barclays Bank - Community Projects	7	5,221	
-	Barclays Bank-Year 1-Drama Worker	7	4,400	
-	Barclays Bank - Dance Project	7	11,081	
-	Northern Rock Foundation-Year 1-Music Co-ordinator	7	5,490	
938			30,496	
(11,535)			<b>67,675</b>	

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 2002



MR R WHITE (CHAIRMAN)



DR C E SHAW (VICE CHAIRMAN)

Date: 30 July 2002

## THE MALTINGS (BERWICK) TRUST

## PROFIT &amp; LOSS FOR THE PERIOD ENDED 31ST MARCH 2002

2000-2001	2001-2002
£	£
192,296	Turnover
(121,342)	1(d)
	206,139
	(144,240)
70,954	Gross Profit
222,368	61,899
	Other Operating Income (Grants)
	216,977
	278,876
	(243,651)
	Operating Surplus/Deficit
	8, 9
	35,225
168	Other Income - Interest
	2,300
	Surplus/Deficit from Ordinary Activities Before Taxation
	37,525
-	Transfer to Reserves
	(35,321)
	2,204

## THE MALTINGS (BERWICK) TRUST

## STATEMENT OF RESERVES - OPENING AND CLOSING FUNDS

	2000-2001 £	2001-2002 £												
		Designated Refurbishment Repair Reserve	Designated Capital Fund	Restricted Community Company Account	Restricted Youth Theatre Account	Restricted Youth Dance Account	Restricted RADI Grant	Restricted Third Age Project	Restricted Barclays Community Projects	Restricted Barclays Drama Worker	Restricted Barclays Dance Project	Restricted Northern Rock Music Co-ordinator	Unrestricted Revenue Reserve	Total
(99,189)	Balance B/Fwd	20,000	7,044	295	345	298	-	-	-	-	-	-	(39,517)	(11,535)
87,654	Net incoming resources		32,448	-	200	(142)	779	2,529	5,221	4,400	11,081	5,490	17,204	79,210
-	Transfers between funds	12,127	2,873	-	-	-	-	-	-	-	-	-	(15,000)	-
(11,535)	Balance C/Fwd	32,127	42,365	295	545	156	779	2,529	5,221	4,400	11,081	5,490	(37,313)	67,675

# THE MALTINGS (BERWICK) TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2002

2001

Total Funds	INCOME AND EXPENDITURE	Notes	Unrestricted Funds	Designated Refurbishment Reserve Fund	Designated Capital Fund	Restricted Income Funds	Total Funds
<b>Incoming Resources</b>							
	Income from Trading Activities within the Objective of the Charity		165,170	-	-	-	165,170
153,048	Grants Received		313,437	-	44,313	64,571	422,321
349,063	Less: Deferred Income	11	(10,000)	-	-	-	(10,000)
(24,335)	Interest on Bank Deposits		2,300	-	-	-	2,300
168	Donations / Sponsorship Received		26,647	-	-	-	26,647
38,924	Other Incoming Resources		512	-	-	-	512
655	Insurance Claim - Boiler		34,481	-	-	-	34,481
-							
517,523	<b>Total Incoming Resources</b>		532,547	-	44,313	64,571	641,431
<b>Resources Expended</b>							
	Cost of Generating Funds - Fund-raising - Employee and Office Costs		(11,419)	-	-	-	(11,419)
-	Direct Charitable Expenditure	12	(424,874)	-	(11,865)	(35,013)	(471,752)
(368,886)	Publicity and Promotions	13	(17,140)	-	-	-	(17,140)
(12,865)	Management and Administration of the Charity	14	(27,429)	-	-	-	(27,429)
(48,118)	Boiler Work - Frost Damage		(34,481)	-	-	-	(34,481)
-							
(429,869)	<b>Total Resources Expended</b>	15	(515,343)	-	(11,865)	(35,013)	(562,221)
87,654	<b>Net Income / (Outgoing) Resources Before Transfers</b>		17,204	-	32,448	29,558	79,210
-	<b>Transfers Between Funds</b>	16	(15,000)	12,127	2,873	-	-
87,654	<b>Net Income / (Outgoing) Resources For The Year</b>		2,204	12,127	35,321	29,558	79,210
87,654	<b>Net Movement In Funds</b>		2,204	12,127	35,321	29,558	79,210
(99,189)	<b>Total Funds Brought Forward</b>		(39,517)	20,000	7,044	938	(11,535)
(11,535)	<b>Total Funds Carried Forward</b>	17	(37,313)	32,127	42,365	30,496	67,675

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 20021. **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 Northern Arts. The core-funding from Berwick-upon-Tweed Borough Council and Northern Arts 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



THE MALTINGS (BERWICK) TRUST

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

**Accounting Policies Continued**

**d) Recognition of Income & Expenditure continued**

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.

**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 Northumberland County Council Superannuation Scheme, a defined benefit scheme. The Company contributes an annual fixed percentage of salary into this which is charged to revenue as contributed. The scheme actuary regularly reviews contribution rates required to the scheme and any adjustments required are made on an annual basis. All 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 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 Capital Fund represents grants and donations received for the restricted purchase of capital items.

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 RADI Grant: for audience development work 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 only.

Barclays Bank Drama Worker: for funding the first year salary and travel of the Drama Worker only.

Barclays Bank Dance Project: for the "Roots & Shoots" project only.

Northern Rock Foundation: for funding the first year salary and travel of the Music Co-ordinator 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
	£	£	£	£	£
<b>Cost</b>					
Brought Forward	17,152	3,427	54,291	6,161	81,031
Grants and Donations	(7,726)	(3,427)	(26,282)	-	(37,435)
	9,426	-	28,009	6,161	43,596
Additions	1,835	-	47,481	-	49,316
Donations	-	-	-	-	-
Disposals Net of Donations	-	-	(1,741)	-	(1,741)
	1,835	-	45,740	-	47,575
<b>Depreciation</b>					
Brought Forward	2,356	-	14,515	5,308	22,179
Charge this Year	2,845	-	11,820	616	15,281
On Disposals	-	-	(1,145)	-	(1,145)
	5,201	-	25,190	5,924	36,315
<b>Net Book Value 2002</b>	6,060	-	48,559	237	54,856
<b>Net Book Value 2001</b>	7,070	-	13,494	854	21,418

General Equipment additions are the introduction of the following:

Technical Sound and Lighting Equipment and General Equipment at a cost of £41,377 funded by the Regional Arts Lottery Programme, Friends of The Maltings and the Refurbishment Reserve and is shown in the Designated Capital Fund.

Exhibition Boards at a cost of £4,979 funded by the Community Development Fund and is shown in the Designated Capital Fund.

Technical Equipment for use of the Berwick Youth Drama Groups at a cost of £831 funded from an award of £2,973 from the Community Development Fund and is shown in the Designated Capital Fund.

The final payment was made in 2001/2002 of the hire purchase agreement for the purchase of Cinema Equipment in February 1997. The assets have a net book value of £8,701 after depreciation of £1,791 was charged during the year.

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

	2002	2001
<b>3 Debtors: Amounts Falling Due Within One Year</b>		
Debtors	7,148	5,781
	<hr/>	<hr/>
	7,148	5,781
	<hr/>	<hr/>
<b>4 Current Liabilities</b>		
<b>Creditors: Amounts Falling Due Within One Year</b>		
Bank Overdraft	-	29,930
Trade Creditors	23,898	12,125
Accrued Charges	2,196	3,700
Hire Purchase Liability	-	2,119
Berwick-upon-Tweed Borough Council Loan	10,000	5,000
Prepaid Income: Advanced Ticket Sales	7437	6,222
Prepaid Income: Advanced Sponsorship	1354	-
Deferred Income: Grants	5,000	14,335
	<hr/>	<hr/>
	49,885	73,431
	<hr/>	<hr/>

The loan from Berwick-upon-Tweed Borough Council totals £60,000, with £2,500 being repayable quarterly. 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	50,000	60,000
Catering - Returnable Deposit	400	400
Deferred Income - Grants	5,000	10,000
	<hr/>	<hr/>
	55,400	70,400
	<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	(39,517)	(99,796)
Loss / Profit for the financial year	17,204	80,279
Transfer to Refurbishment Reserve	(15,000)	(20,000)
	<hr/>	<hr/>
Balance at 31st March 2002	(37,313)	(39,517)
	<hr/>	<hr/>

**7 Group Accounts: Restricted Income Funds**

**Youth Dance Account**

Balance at 31st March 2001	298	137
Donation received	-	161
Expenditure during the year	(142)	-
	<hr/>	<hr/>
Balance at 31st March 2002	156	298
	<hr/>	<hr/>

## THE MALTINGS (BERWICK) TRUST

## NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	2002	2001
<b>Youth Theatre Account</b>		
Balance at 31st March 2001	345	345
Donation received - Priory Players	200	-
Expenditure during the year	-	-
	<hr/>	<hr/>
Balance at 31st March 2002	545	345
	<hr/>	<hr/>
<b>Community Company Account</b>		
Balance at 31st March 2001	295	125
Donation received	-	652
Expenditure during the year	-	(482)
	<hr/>	<hr/>
Balance at 31st March 2002	295	295
	<hr/>	<hr/>
<b>RADI Grant - Audience Development</b>		
Balance at 31st March 2001	-	-
Donation received - Northern Arts	6335	-
Expenditure during the year	(5,556)	-
	<hr/>	<hr/>
Balance at 31st March 2002	779	-
	<hr/>	<hr/>
<b>Third Age Project</b>		
Balance at 31st March 2001	-	-
Donation received - Kellet Fund	10,000	-
Donation received - Social Services	3,000	-
Donation received - Nrth. Northumberland Rural Transport	1,233	-
Expenditure during the year	(11,704)	-
	<hr/>	<hr/>
Balance at 31st March 2002	2,529	-
	<hr/>	<hr/>
<b>Barclays Bank - Community Projects</b>		
Balance at 31st March 2001	-	-
Donation received - Barclays Bank	13,656	-
Expenditure during the year	(8,435)	-
	<hr/>	<hr/>
Balance at 31st March 2002	5,221	-
	<hr/>	<hr/>
<b>Barclays Bank - Drama Worker - Year 1</b>		
Balance at 31st March 2001	-	-
Donation received - Barclays Bank	8,916	-
Expenditure during the year	(4,516)	-
	<hr/>	<hr/>
Balance at 31st March 2002	4,400	-
	<hr/>	<hr/>

## THE MALTINGS (BERWICK) TRUST

## NOTES FORMING PART OF THE ACCOUNTS CONTINUED

**Barclays Bank - Dance Project**

Balance at 31st March 2001	-	-
Donation received - Barclays Bank	11,081	-
Expenditure during the year	-	-
	<hr/>	<hr/>
Balance at 31st March 2002	11,081	-
	<hr/>	<hr/>

**Northern Rock Foundation - Music Co-ordinator - Year 1**

Balance at 31st March 2001	-	-
Donation received - Northern Rock Foundation	10,150	-
Expenditure during the year	(4,660)	-
	<hr/>	<hr/>
Balance at 31st March 2002	5,490	-
	<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	2,300	2,200
Depreciation	15,281	5,364
Hire purchase interest	793	923

The Auditors also received £800 for payroll services and £221 for other services.

**9 Staff Costs**

Wages & Salaries	88,847	90,692
Social Security Costs	3,474	3,659
Pension Costs	3,173	4,453
Outsourced Services	49,928	28,053
Redundancy Payment	-	1,500
	<hr/>	<hr/>
	145,422	128,357
	<hr/>	<hr/>

The average number of staff during the year was - 16 (2001 - 14)

4 full-time and 12 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.

**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

<b>11 Deferred Income</b>	<b>Ticket Sales</b>	<b>Sponsorship</b>	<b>Grants</b>	<b>Total</b>
Balance at 1st April 2001	6,222	-	24,335	30,557
Amount released to incoming resources	(6,222)	-	(14,335)	(20,557)
Amount deferred in the year	7,437	1,354	-	8,791
Balance at 31st March 2002	7,437	1,354	10,000	18,791

Deferred income comprises ticket sales and sponsorship 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. The balance on grants brought forward at 1st April 2001 includes grants totalling £8,635 which, although correctly deferred under SORP 95, would not meet the criteria for deferral under SORP 2000. These grants have been released to incoming resources during the year.

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>Total 2002</b>	<b>Total 2001</b>
<b>12 Direct Charitable Expenditure</b>					
Programmed Events Costs	110,447	18,781	-	129,228	97,407
Employee Costs	90,278	9,176	-	99,454	90,201
Staff Recruitment, Training and Subsistence	1,442	-	-	1,442	-
Cost of Bar & Confectionery Sales & Expenses	22,125	-	-	22,125	23,935
Premises Costs	47,495	-	-	47,495	44,969
Marketing / Outreach / Projects - Office Costs	9,505	1,500	-	11,005	550
Subscriptions, Licences, Technical & RADI	3,106	5,556	-	8,662	4,100
Piano Restoration-Newcastle Building Society Fund	580	-	-	580	-
Other Direct Cost: Depreciation	3,416	-	11,865	15,281	5,364
Asset Rentals	136,480	-	-	136,480	102,360
	424,874	35,013	11,865	471,752	368,886

**13 Publicity and Promotions**

Publicity and Advertising	17,140	-	-	17,140	12,865
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**14 Management and Administration of the Charity**

Office Expenses	2,751	-	-	2,751	11,774
Central Department Support	-	-	-	-	10,820
Audit Fees	2,542	-	-	2,542	2,400
Professional Fees	1,070	-	-	1,070	240
Bank and Credit Card Expenses	2,358	-	-	2,358	2,217
Employee Costs	18,708	-	-	18,708	20,041
Staff Recruitment, Training & Subsistence	-	-	-	-	626
	27,429	-	-	27,429	48,118

<b>15 Total Resources Expended</b>	<b>Staff Costs</b>	<b>Depreciation</b>	<b>Other</b>	<b>Total 2002</b>	<b>Total 2001</b>
Cost of Generating Funds	9,919	-	1,500	11,419	-
Direct Charitable Expenditure	116,795	15,281	339,676	471,752	368,886
Publicity and Promotions	-	-	17,140	17,140	12,865
Management & Administration of the Charity	18,708	-	8,721	27,429	48,118
Boiler work - Frost Damage	-	-	34,481	34,481	-
	145,422	15,281	401,518	562,221	429,869

## 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	Total Funds
For replacement of fixtures & fittings and infrastructure	(15,000)	15,000	-	-
For replacement of technical equipment	-	(2,873)	2,873	-
Net transfers between funds	(15,000)	12,127	2,873	-

## 17 Analysis of Net Assets Between Funds

	Tangible Fixed Assets	Net Current Assets	Liabilities Due After One Year	Total 2002	Total 2001
<b>Restricted Funds</b>					
Youth Dance Account	-	156	-	156	298
Youth Theatre Account	-	545	-	545	345
Community Company Account	-	295	-	295	295
RADI Grant	-	779	-	779	-
Third Age Project	-	2,529	-	2,529	-
Barclays Bank - Community Projects	-	5,221	-	5,221	-
Barclays Bank - Year 1 - Drama Worker	-	4,400	-	4,400	-
Barclays Bank - Dance Project	-	11,081	-	11,081	-
Northern Rock Foundation-Year1-Music Co-ordinator	-	5,490	-	5,490	-
<b>Designated Funds</b>					
Refurbishment Reserve Fund	-	32,127	-	32,127	20,000
Capital Fund	42,365	-	-	42,365	7,044
<b>Unrestricted Funds</b>					
Revenue Account	12,491	5,596	(55,400)	(37,313)	(39,517)
	54,856	68,219	(55,400)	67,675	(11,535)

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 2002 the company was committed to making the following payments during the next year in respect of operating leases:

	Office Equipment 2002	2001
Leases which expire within 3 years	1,248	1,248

An asset rental adjustment of £136,480 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.