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THE GLENDALE GATEWAY TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

CHARITY NUMBER: 1059761

COMPANY NUMBER: 3208721

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Trustees and Advisors for the year ended 30 June 2003

Board of Directors and Executive Management Committee

Chairman:	Mrs B. Ratteliff (Elected member)
Vice Chairman:	Revd Canon R.B.S. Burston (Community Council of Northumberland)
Treasurer:	Mr I. Thompson (Elected member)
Other Trustees:	Mr T. Sale OBE (Elected member)
	Mr J.R. Kirkup (County Landowners' Association)
	Mr D. Smibert (North Northumberland Tourism Association)
	Mr J. Hugonin (Elected member)
	Mr J. Bullock (Elected member)
	Cllr S. Davidson (Northumberland County Council)
	Mrs C. Dunn (Wooler retail members)
	Mr. K Curry (Resigned 13.05.03)
	Mr. W. Ferguson (Resigned 13.05.03)
	Mr. J. Davidson (Resigned 31.3.03)
	Cllr A. Murray (Berwick upon Tweed Borough Council) (Appointed 13.05.03)
	Cllr A. Rogerson (NALC)
	Mrs L. Murray (Co-opted Member)
	Mr J. Short (National Farmers Union)
	Mr. R. Tait (Wooler Parish Council) (Appointed 19.05.03)
Company Secretary:	Mr J.R. Kirkup (County Landowners' Association)

Employed Staff

Tom Johnston	MTI Project Manager
Heather Fisher	Administrator
John Davidson	Cheviot Centre Manager
Mike Hetherington FCA	Financial Administrator

Sub Committee Chairmen

John Davidson	Glendale Festival
Jeff Bullock	Wooler Website
Hazel Rathbone	Youth Drop-in Centre
Joyce Watts	Oral History Group

Registered Office
Cheviot Centre
12 Padgepool Place
Wooler
Northumberland
NE71 6BL

Business Address
Cheviot Centre
12 Padgepool Place
Wooler
Northumberland
NE71 6BL

Registered Auditors
Greaves Grindle
Victoria House
Bondgate Within
Alnwick
Northumberland
NE66 1TA

Bankers
Unity Trust Bank
9 Brindley Place
4 Oozells Square
Birmingham

Report of the Trustees for the year ended 30 June 2003

The Glendale Gateway Trust is a Charitable Company governed by its Memorandum and Articles of Association and is a Registered Charity, Number 1059761, Company Number 3208721, incorporated as a company limited by guarantee on the 6 June 1996.

The charity directors during the financial year 1 July 2002 to 30 June 2003 are set out on page 1.

Principal activities
The Trust's primary activity throughout the year continued to be the management and development of the Cheviot Centre and the progression of the M.T.I. programme.

Organisation
The business of the company is administered by a management committee. A total of 10 members may be nominated by the core organisations specified in Article 9 of the Articles of Association. A further 3 members may be co-opted onto the management committee, under Article 9.2.3 and serve until the conclusion of the Annual General Meeting. In addition a further five vacancies on the management committee may be filled by election by members of the company from amongst their number present at the company's AGM.

Objects of the Charity
The company's principal objective is to promote, maintain, improve, encourage and advance the benefit of the inhabitants of the town of Wooler and the surrounding area.

Review of Operations
The Cheviot Centre continues to work towards the objectives of being financially self supporting. The M.T.I. programme is underway and is progressing various projects.

Financial Review
The Trust had a surplus of incoming resources of £214,599 (2002 £17,248) and the trustees are continuing to develop various projects for the benefit of the local community. The Statement of Financial Activities on page 6 gives a full breakdown of results for the year.

Future proposals
The Trust's main concern for the future is to see the successful conclusion of projects under the M.T.I. initiative.

Reserves Policy
It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately six months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs and to respond to emergency applications. Unrestricted funds were maintained at this level throughout the year.

Risk Management
The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees' responsibilities in relation to the financial statements

The Charities Act 1993 and 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 its profit or loss for the financial year. In preparing the financial statements, the directors are required to:-

1. Select suitable accounting policies and apply them consistently.

2. Make judgements and estimates that are responsible and prudent.

3. State whether the policies adopted are in accordance with the Charities SORP and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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.

Auditors

A resolution proposing that Greaves Grindle be re-appointed as the charitable company's auditors will be put to the Annual General Meeting.

Exemptions
The report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts and Directors report comply with the SORP 2000.

Approved by the directors on 7 October 2003 **and signed on their behalf by:**

John R. Kirkup

.....

Mr J.R. Kirkup

Independent auditors' report to the members of The Glendale Gateway Trust

We have audited the financial statements of The Glendale Gateway Trust for the year ended 30 June 2003 on pages 6 to 16. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors
As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of The Glendale Gateway Trust for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 as at 30 June 2003, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Greaves Grindle

Greaves Grindle
Chartered Accountants and Registered Auditors
Victoria House
Bondgate Within
Alnwick
NE66 1TA

Date 14th October 2003

Statement of Financial Activities (Including Income and Expenditure Account) for the year ended 30 June 2003

	Notes	Unrestricted Funds 2003 £	Restricted Funds 2003 £	Total Funds 2003 £	Total Funds 2002 £
Incoming resources					
Charitable activities					
Donations and legacies	2	80	25,178	**25,258**	11,405
Grants receivable	3	250	273,434	**273,684**	89,209
Fundraising income		-	-	-	1,342
Rental and hire income		-	25,415	**25,415**	21,207
Investment income		2,048	136	**2,184**	2,237
Other income		41	2,548	**2,589**	7,208
Total incoming resources		2,419	326,712	**329,131**	132,608
Resources expended					
Direct charitable expenditure	4	100	113,599	**113,699**	112,081
Management and administration	5	28	845	**873**	3,279
Total resources expended		128	114,444	**114,572**	115,360
Net incoming resources before transfers		2,291	212,268	**214,559**	17,248
Transfers between funds	13	(8)	8	**0**	-
Net incoming resources for the year		2,283	212,276	**214,559**	17,248
Net (expenditure)/income for the year		2,283	212,276	**214,559**	17,248
Total funds at 1 July 2002		17,989	571,807	**589,796**	126,452
Prior period adjustment	11	-	0	**0**	446,096
Total funds at 30 June 2003	13	20,272	784,083	**804,355**	589,796

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

All incoming resources and resources expended derive from continuing activities.

Statement of changes in resources applied for fixed assets for charity use for the year ended 30 June 2003

	Unrestricted Funds 2003 £	Restricted Funds 2003 £	Total Funds 2003 £	Total Funds 2002 £
Net movement in funds for the year	2,283	212,276	**214,559**	17,248
Resources used for the acquisitions of tangible fixed assets	188	285,075	**285,263**	14,903
Net movement in funds available for future activities	2,471	(72,799)	**(70,704)**	2,345

Balance Sheet at 30 June 2003

	Notes	Unrestricted Funds 2003 £	Restricted Funds 2003 £	Total Funds 2003 £	Total Funds 2002 £
Fixed assets					
Tangible assets	8	160	794,267	**794,427**	527,750
		160	794,267	**794,427**	527,750
Current assets					
Debtors and prepayments	9	-	8,676	**8,676**	5,414
Bank and building society deposits		20,112	98,609	**118,721**	87,745
		20,112	107,285	**127,397**	93,159
Creditors: amounts falling due within one year	10	-	(117,469)	**(117,469)**	(31,113)
Net current assets		20,112	(10,184)	**9,928**	62,046
Net assets		20,272	784,083	**804,355**	589,796
Funds					
Unrestricted		20,272	-	**20,272**	17,989
Restricted		-	784,083	**784,083**	571,807
Total funds	13	20,272	784,083	**804,355**	589,796

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the board of directors on 7 October 2003 **and signed on their behalf by:**

John R Kirkup

DR J. R. KIRKUP

Chairman

Notes forming part of the financial statements for the year ended 30 June 2003

1. Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and the Statement of Recommended Practice (SORP 2000), "Accounting and Reporting by Charities" published in October 2000. The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

b) Incoming resources

All income is accounted for on an accrual basis, with the exception of donated income which is accounted for when received.

c) Grants

Grants are credited to the statement of financial activities when receivable.

d) Restricted funds

Restricted funds are restricted income funds, expendable at the discretion of the trustees in accordance with the conditions of funding imposed.

e) Stocks

Stocks are valued at the lower of cost or net realisable value.

f) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of the tangible assets, less their estimated residual values, over the expected useful economic lives of the assets, as follows:

Freehold property	2% per annum straight line
Leasehold buildings	2% per annum straight line
Computer equipment	25% per annum straight line
Other equipment	15% per annum reducing balance

2. Donations

	Unrestricted	Restricted	2002	2001
	£	£	£	£
The Davidson fund	-	-	-	1,500
The Hugonin trust	-	-	-	2,500
The Tudor trust	-	-	-	2,000
The Garfield Weston Foundation	-	-	-	3,000
The Cheviot Hall Trust	-	24,799	**24,799**	-
P Healy	-	-	-	750
G and B Rattcliff	-	-	-	1,000
Others	80	379	**459**	655
	80	25,178	**25,258**	11,405

3. Grants

	Unrestricted	Restricted	2002	2001
	£	£	£	£
Berwick Borough Council	-	250	**250**	5,000
Community Council of Northumberland	-	-	-	17,991
Community Fund	-	20,668	**20,668**	9,693
Northumberland County Council	-	1,000	**1,000**	29,000
Northumberland Strategic Partnership	-	207,916	**207,916**	-
One North East	-	7,500	**7,500**	11,840
Northern Rock Foundation	-	5,000	**5,000**	-
The Hugonin trust	-	2,500	**2,500**	-
Lloyds TSB Foundation	-	9,000	**9,000**	-
Countryside Agency	-	11,250	**11,250**	-
National Park	-	5,000	**5,000**	-
Readman Foundation	-	-	-	10,000
Berwick Family Centre	-	-	-	2,000
Others	250	3,350	**3,350**	3,685
	250	273,434	**273,684**	89,209

4. Direct charitable expenditure

	Unrestricted	Restricted	2002	2001
	£	£	£	£
Salaries	-	62,411	**62,411**	60,044
Other projects	-	9,471	**9,471**	7,417
Other expenses	100	41,717	**41,817**	44,620
	100	113,599	**113,699**	112,081

5. Management and administration of the Charity

	2003	2002
	£	£
Other expenses	**873**	3,279
	873	3,279

6. Employee costs and numbers

Employee costs were as follows:	2003
	£
Wages and salaries	**52,756**
Social security costs	**3,484**
Other employee costs	**6,171**
	62,411

No employee received emoluments of more than £50,000.

The average number of full-time equivalent employees during the year was made up as follows:

Management	**2**
Administration	**2**
	4

7. Net income for the year

This is stated after charging:	2003	2002
	£	£
Depreciation	**18,585**	12,412
Trustees' remuneration	**-**	-
Audit fees	**500**	500
	19,085	12,912

One trustee was reimbursed for travel expenses of £32 during the year.

8. Tangible fixed assets

	Freehold property	Leasehold property	Plant and equipment	Total
	£	£	£	£
Cost				
At 1 July 2002	1	529,373	13,470	**542,844**
Additions	279,626	154	5,483	**285,263**
At 30 June 2003	279,627	529,527	18,953	**828,107**
Depreciation				
At 1 July 2002	-	10,587	4,508	**15,095**
Provided for the year	5,592	10,590	2,403	**18,585**
At 30 June 2003	5,592	21,177	6,911	**33,680**
Net book value				
At 30 June 2003	274,035	508,350	12,042	**794,427**
At 1 July 2002	1	518,786	8,962	**527,749**

8. Cont

Freehold property includes:

a) The Mechanics Institute building which was transferred without consideration to the trust subject to ongoing restrictions on its use on 19th December 1997. The property has been included at a nominal value of £1 due to onerous restrictions over the use of the property, responsibilities for maintenance costs and the inability of the trust to dispose of the property.

b) The Cheviot Hall and Town Centre Regeneration Property, which are currently being refurbished.

The leasehold property, The Cheviot Centre, is held by the Trust on a 999 year lease commencing 21st February 2000. Costs are the development cost to bring the centre into use.

9. Debtors

	2003	2002
	£	£
VAT	**-**	257
Other debtors	**7,773**	4,254
Prepayments	**903**	903
	8,676	5,414

10. Creditors: amounts falling due within one year

	2003	2002
	£	£
Creditors	**10,000**	15,559
Loan Lilburn Estates Farming Partnership	**95,000**	-
Value Added Tax	**848**	-
Accruals	**3,313**	1,000
Building retentions	**8,308**	14,554
	117,469	31,113

The loan fron Lilburn Farming Partnership is secured by a legal charge over the freehold property at 25-29 and 33 High Street, Wooler (part of the Town Centre Regeneration Property). The loan represents approximately 37% of the present value of the property.

11. Prior period adjustment

The prior period adjustment relates to a transfer of costs from the Children's Area Running Costs to the Cheviot Centre Running Costs of £1946. This transfer, as shown in note 13, has no net effect on total funds of the charity.

12. Related party transactions

Cllr. S. Davidson, who is a trustee, is also a partner in the Lilburn Farming Partnership referred to in note 10.

13. Statement of funds

	At 1 July 2002	Income	Expenditure	Transfers	At 30 June 2003
	£	£	£	£	£
General fund	17,989	2,419	128	(8)	**20,272**
Total unrestricted funds	17,989	2,419	128	(8)	**20,272**
Restricted funds					
Cheviot Centre Capital	519,036	-	10,590	-	**508,446**
Town Centre Regeneration	-	174,849	5,203	-	**169,646**
Cheviot Hall	-	25,500	510	8	**24,998**
Children's Area Soft Play Capital	1,741	-	-	-	**1,741**
Computer Room Capital	6,973	-	1,230	-	**5,743**
Cheviot Centre Running Costs	27,237	43,047	27,178	1,946	**45,052**
Children's Area Running Costs	2,461	21,040	16,418	(1,946)	**5,137**
Website	438	761	735	-	**464**
Market Town Initiative	-	53,166	47,427	-	**5,739**
Youth Drop-in Centre	8,961	1,153	3,231	-	**6,883**
Glendale Festival	1,960	2,096	1921	-	**2,135**
Affordable Housing Project	3,000	-	-	-	**3,000**
High Street Improvements	-	5,000	-	-	**5,000**
Leaflet Project	-	100	-	-	**100**
Total restricted funds	571,807	326,712	114,444	8	**784,083**
Total funds	589,796	329,131	114,572	0	**804,355**

The transfer of £8 from unrestricted reserves was to remove a deficit on the Cheviot Hall Fund. The transfer of £1,946 from Children's Area Running Costs to Cheviot Centre Running Costs is a prior year adjustment for a contribution due for premises overheads.

Particulars of the restricted funds are given in note 14.

14. Particulars of restricted funds

Childrens' Area Running Costs

Source of Funds. These are funded by the Community Fund (previously known as the National Lottery Charities Board). (NLCB).

Purpose. This is to run a creche and general childrens' activities within The Cheviot Centre.

Sufficiency of Funds. Funding has been agreed which will support the project until March 2004.

Website

Source of Funds. A grant was received from the Village Design Statement Project, itself funded by the Rural Development Fund. Annual entry fees are now being charged to create future income.

Purpose. To continue development of the Glendale Gateway Trust Wooler Website.

Sufficiency of Funds. The website is now running and the small income being generated appears to be covering running costs.

Cheviot Centre Running Costs

Grants have been received from The Northern Rock Foundation, One North East, The Hugonin Family Trust and income is derived from the letting and hiring out of rooms at the Centre.

Purpose. The One North East grant is to cover 31% of costs of running the centre and requires "performance" outputs in terms of users of the Centre and Community Services provided at the Centre which have been achieved.

The grant from Northern Rock Foundation was also subject to "performance" outputs which have been achieved and the Centre is on target to exceed the targets for next year.

The grant from the Hugonin Family Trust was towards the running costs of the Centre.

Sufficiency of Funds. Funds have been sufficient to cover costs and achieve output requirements. The Trust is continuing to focus on the Centre's ability to continue to provide its services in future, when current grant arrangements cease.

Cheviot Centre Childrens' Soft Play and Computer Room Capital

These have all been funded and completed in earlier years from grants and donations.

Their purposes are to provide community, social and education facilities for the Glendale Area and they continue to do so.

14. Particulars of restricted funds cont.

Town Centre Regeneration

Source of Funds. These have been a grant from the Northumberland Strategic Partnership, a loan from Lilburn Estates Farming Partnership and a donation from the Cheviot Hall Trust on the closure of that Trust.

Purpose. The grant from the Northumberland Strategic Partnership and the loan from Lilburn Estates Farming Partnership were for the purchase and initial works on a derelict property in Wooler Town Centre.

The donation from the Cheviot Hall Trust was made to the Glendale Gateway Trust to be used for the benefit of young people of Glendale. The use of these funds is as a contribution towards the part of the Town Centre Regeneration which will provide affordable housing for young people of Glendale.

Sufficiency of Funds. The Trust has taken on this project without all future funding or detailed planning in place but on the basis that the capital value of the purchased property makes the project financially sound and under the intention that some of the property will be sold on in the year 2003/2004 in order to repay the above loan falling due in March 2004. If a sale of land has not taken place by that date further financing of the loan would be required.

Other grant aid is being sought in order to complete the project.

Cheviot Hall

Source of Funds. The main funder was the Northumberland Strategic Partnership with supplementary funding from the Community Foundation.

Purpose. To buy the Cheviot Hall for development of affordable housing.

Sufficiency of Funds. Funds were sufficient for the purchase of the hall. The current intention is that "Home Housing" is now to take over and complete the project with their own funding.

Market Town Initiative – Programme Manager

Source of Funds.

Northumberland Strategic Partnership
Countryside Agency
Lloyds TSB

Purpose. This is to employ a Programme Manager and Assistant to carry out the central activities of the Trust – "to assist the local community through its partnership ... (The Glendale Gateway Trust) ...." To deliver projects identified through the Market Town Initiative Community Plan. The Programme Manager will co-ordinate activities and projects, strengthen and build the partnership by ensuring that clear procedures and practices are in place and that good lines of communication and interaction are open to all partners.

Sufficiency of Funds. The current funding arrangement has been agreed up to 30th June 2005 and fund spending is strictly monitored.

14. Particulars of restricted funds cont.

Glendale Festival

Source of Funds. Grants were received this year from Wooler Parish Council, The Community Foundation and from other donations.

Purpose. The running of a music and arts festival in Wooler Town Centre.

Sufficiency of Funds. This is an ongoing annual event with expenditure carefully limited to income.

Youth Drop-in Centre

Source of Funds. Public grants; this year from Northumberland County Council.

Purpose. To run a Drop-in Centre for the young people of Glendale.

Sufficiency of Funds. The centre has been closed since July 2002. Expenditure during the year as been mainly for maintenance and repair. A separately constituted independent Charity is being formed to reopen the centre, when all funds will be transferred from the Glendale Gateway Trust to the new Charity.

High Street Improvements

Source of Funds. Northumberland National Parks.

Purpose and Sufficiency of Funds. Within a larger project run by Berwick Borough Council this was for the Trust to design and display new Town Trail Leaflets. Posters and display cases have been completed within budget since 30th June 2003.

Affordable Housing Project

Source of Funds. Garfield Weston Foundation.

Purpose. Applied for under a project to convert the Wooler Cheviot Hall into affordable housing for young people of Glendale. The current plan is that this project will be undertaken by "Home Housing" under its own budget. The Trust is writing to the Garfield Weston Foundation to request permission to use the fund for affordable housing within the Town Centre Regeneration project.

Leaflet Project

Source of Funds. Village Design Statement Project itself funded by the Rural Development Fund.

Purpose. To produce new leaflet being a summary of the Glendale Community Plan.

Sufficient of Funds. Further funding received after 30th June 2003 and project now completed.