

COMPANY No. 1444058

REGISTERED CHARITY NO. 509133

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

A Company Limited by Guarantee and
Not Having a Share Capital

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002



TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

TRUSTEES' REPORT

The Council of Management submit their report and financial statements of the Trust for the year ended 31st March 2002.

OBJECTS OF THE CHARITY

The Trust is governed by its constitution and its main objective is to preserve for the benefit of the public generally and especially for the inhabitants of the County of Tyne and Wear, buildings (including artefacts and land) which are of special historic, architectural, or townscape interest.

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

Work has proceeded to seek funding at 28/30 The Close and discussions are proceeding with the Heritage Lottery Fund to this end.

Discussions are also taking place with the Heritage Lottery Fund and English Heritage regarding Axwell Park House. Wimpey Homes have indicated that they will be prepared to contribute to the cost of restoring this building, their contribution being equivalent to the value of the adjacent development site. Negotiations are proceeding between Wimpey Homes and the District Valuer to determine the amount of this contribution.

At Dunston Hill House the Gateshead Hospitals Trust has secured an offer from a private developer for this building and it now appears unlikely that this Trust will be involved in the restoration.

Tenders have been received for the consolidation of the Beehive Coke Ovens at Whinfield, Rowlands Gill. Unfortunately, the prices received were much higher than estimated and means of proceeding with this project are being re-assessed.

The Trust is also assisting the Tynemouth Volunteer Life Brigade in its efforts to secure the proper restoration of the brigade headquarters at Tynemouth.

LEGAL AND ADMINISTRATIVE DETAILS

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association.

The company is a registered charity - number 509133.

The company is incorporated in England and Wales - number 1444058.

The members of the Council, who also act as trustees for the charitable activities of the Trust, and who served during the year ended 31st March 2002 and to the date of this report are as follows:

P.R.M. Harbottle	- Chairman
Dr. J. Allen	(Appointed 2nd July 2002)
Mrs. M. Border	
Cllr. S. L. Cox	
Cllr. W. Craddock	
J.M. Daniels	
Cllr. T.W. Defty	(Appointed 4th June 2001, Resigned 7th June 2002)
P.W. Fall	
Cllr. T.D. Marshall	
Mrs. G. McCombie	
Prof. N. McCord	
Cllr. A. McMillan	(Resigned 4th June 2001)
S.J. Orange	(Resigned 4th September 2001)
J.R. Pendlebury	(Appointed 15th January 2002)
Cllr. J. Watson	(Appointed 7th June 2002)
Cllr. G.K. Wilson	

The members of the Council hold no shares in the company but each member is a guarantor of the company to an amount not exceeding £1 in the event of the company winding up.

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

TRUSTEES' REPORT - Continued

The registered office is:

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

The principal place of business is:

Alderman Fenwick's House
98/100 Pilgrim Street
Newcastle upon Tyne
NE1 6SQ

The company's bankers are:

Barclays Bank plc
59 High Street
Gosforth
Newcastle upon Tyne
NE3 4AS

The company's solicitors are:

Eversheds
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

The company's auditors are:

Ryecroft Glenton
27 Portland Terrace
Newcastle upon Tyne
NE2 1QP

RESERVES

The Council of Management have reviewed the reserves of the Trust. This review encompassed the nature of the income and expenditure streams, the need to match variable income and fixed commitments and the nature of the reserves. The Council of Management have concluded that the Trust requires a general reserve fund equating to approximately six months of unrestricted fund expenditure of £80,000. During the year the Trust's general reserve fund has increased from £422,227 to £437,068.

The restricted fund has remained at £2,716,910 and is represented by historic fixed assets (see Note 11).

The financial statements conform to current statutory requirements and comply with the Trust's governing documents.

PROPERTIES

The Council of Management have considered the value of properties and, in particular, Brenkley Colliery, and as there is no immediate intention to dispose of any properties, they believe it is appropriate to include properties in the financial statements at a value of no less than historical cost.

INTRODUCTION OF THE EURO

The Council of Management do not consider that the charity will have any material costs or expenditure as a consequence of any potential or actual future participation by the United Kingdom in the single currency, the euro.

TRUSTEES REPORT - Continued

GOVERNANCE AND INTERNAL CONTROL

The governing body of the Trust is a Council of Management which meets on a bi-monthly basis to decide overall financial and policy matters. The day to day issues are handled by the Secretary and Technical Adviser in consultation with the Chairman, Vice Chairman and Hon. Treasurer.

New members of the Council of Management are elected by the Council of Management or by the members of the Trust in General Meeting.

Law applicable to charities in England and Wales requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, giving a true and fair view, the Council of Management should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council of Management have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

They include:

- regular consideration by the Council of Management of income and expenditure;
- delegation of authority and segregation of duties;
- identification and management of risk.

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

TRUSTEES REPORT - Continued


GOVERNANCE AND INTERNAL CONTROL

RISK MANAGEMENT

The Council of Management have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate the exposure to the major risks.

A resolution to reappoint Ryecroft Glenton as auditors to the Company will be put to the Members at the Annual General Meeting.

By order of the Council



P.R.M. Harbottle
Trustee

12 November 2002

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention as modified by the revaluation of investments and on the basis of the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also directors of Tyne and Wear Building Preservation Trust Limited for the purposes of company law) responsibilities for preparing the Trustees' 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 trustee's 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 information specified by law regarding trustees remuneration and transactions with the charity is not disclosed.

We read the trustee's 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 Council of Management 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 charity's affairs as 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.



Ryecroft Glenton

17th Jan 2003

Chartered Accountants
Registered Auditors

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

Including Income and Expenditure

For the Year Ended 31st March 2002

			2002	2001
	Note	Restricted Funds	General Fund	Total Funds
		£	£	£
INCOMING RESOURCES				
Activities in Furtherance of the Charity's Objects:				
- Grants on Preservation Schemes		-	-	2,026
Activities for Generating Funds:				
- Rent and Service Charges		-	-	-
- Alderman Fenwick's House		-	95,561	95,561
- Brenkley Colliery		-	67,268	67,268
Subscriptions and Donations		-	478	478
Investment Income	5	-	3,651	3,651
TOTAL INCOMING RESOURCES	2	-	166,958	166,958
RESOURCES EXPENDED				
Cost of Generating Funds:				
- Property Costs		-	95,375	95,375
Charitable Expenditure:				
Costs of Activities in Furtherance of the Charity's Objects:				
- Direct Costs		-	44,222	44,222
- Management and Administration		-	13,485	13,485
		-	57,707	57,707
TOTAL RESOURCES EXPENDED	4	-	153,082	153,082
NET INCOMING RESOURCES	3	-	13,876	13,876
Transfer to Restricted Funds as a Result of Capitalisation of Work in Progress		-	-	-
NET INCOMING RESOURCES AFTER TRANSFERS		-	13,876	13,876
Unrealised Investment Gains		-	965	965
NET MOVEMENT IN FUNDS		-	14,841	14,841
Fund Balances at 1st April 2001		2,716,910	422,227	3,139,137
Fund Balances Carried Forward at 31st March 2002 (Page 8)		£2,716,910	£437,068	£3,153,978
				£ 3,139,137

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

Including Income and Expenditure

For the Year Ended 31st March 2002

CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	2002			2001
	Restricted Funds	Unrestricted Fund	Total Funds	Total Funds (restated)
	£	£	£	£
Net movement in funds for the year	-	14,841	14,841	606,663
Net increase in tangible fixed assets for direct charitable purposes	-	-	-	-
Net movement in funds available for future activities	£ -	£14,841	£14,841	£ 606,663

RECOGNISED SURPLUSES AND DEFICITS

There are no recognised surpluses or deficits other than the surplus for the year.

The result for the year relates wholly to continuing activities.

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

BALANCE SHEET

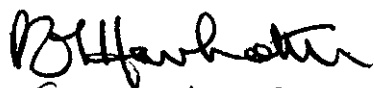
As at 31st March 2002

		2002	2001 (restated)
	Notes	£	£
FIXED ASSETS			
Tangible Assets	7	1,726	2,374
Properties	7	3,406,854	3,391,189
Investments	8	3,500	2,535
		<u>3,412,080</u>	<u>3,396,098</u>
 CURRENT ASSETS			
Debtors	9	34,864	24,087
Cash at Bank		176,197	210,961
		<u>211,061</u>	<u>235,048</u>
 CURRENT LIABILITIES			
Creditors - amounts falling due within one year	10	469,163	492,009
 NET CURRENT LIABILITIES		<u>(258,102)</u>	<u>(256,961)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,153,978</u>	<u>3,139,137</u>
 NET ASSETS		<u>£ 3,153,978</u>	<u>£ 3,139,137</u>
 RESERVES			
Unrestricted Fund		437,068	422,227
Restricted Funds	11	2,716,910	2,716,910
 TOTAL FUNDS (Page 5)		<u>£ 3,153,978</u>	<u>£ 3,139,137</u>

The financial statements were approved by the Council of Management on 12 November 2002 and signed

on their behalf by:

P.R.M. Harbottle



Council Member

Mrs. G. McCombie



Council Member

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

1. ACCOUNTING POLICIES

-Accounting Convention-

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments.

-Basis of Preparation-

The financial statements have been prepared in accordance with the requirements of the Companies Act and comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting By Charities" published in October 2000.

-Grants Received-

Grants of a revenue nature are credited to income in the period to which they relate.

-Fixed Assets - Preservation Schemes-Restricted Funds

The Trust, a company limited by guarantee, having as its primary charitable purpose the preservation of historical buildings (including artefacts and land) holds such assets and incurs necessary expenditure on them, often financed by grants that can only be used for such expenditure.

The Trustees consider that the following policies are required to satisfy their obligations under Company and Charitable Law.

(i) Expenditure incurred on preservation schemes where the Trust has a legal interest whether leasehold or freehold, is capitalised.

(ii) Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

(iii) Properties, when let, would normally be considered by Accounting Standards as investment properties requiring annual revaluation or depreciation. The Council of Management reviews each property to ascertain if revaluation is appropriate. Normally, revaluation is inappropriate due to the nature of the preservation and if that is the case the property is included at cost, being the best representation as the cost of the buildings has been dictated by their preservation requirements.

-Depreciation-

Depreciation is provided on all tangible fixed assets, apart from restored properties and buildings or structures in the course of preservation, at rates calculated to write off the cost less estimated residual value of each asset, over its expected useful life, on a straight line basis:

Fixtures and Fittings	- 15%
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-Investments-

Listed investments are stated at the Market Value at the Balance Sheet date.

-Mortgage Interest-

Mortgage interest incurred during the year is apportioned on the following basis:

- (i) To that part of the building which is let, on a floor area basis, and charged to the income and expenditure account.
- (ii) To that part remaining unlet, the remaining interest is added to the value of work in progress.

-Operating lease agreements-

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

1. ACCOUNTING POLICIES - Continued

-Costs of Activities in Furtherance of the Charity's Objects-

Many items of the charity's expenditure are for both direct charitable and management and administration purposes.

The Trustees have reviewed this expenditure and consider the following allocations to be appropriate for the financial statements:

	Restricted Fund Expenditure	Direct Charitable Expenditure	Management and Administration
Accounting and Administration Expenses	-	80%	20%
Advertising	-	100%	-
Audit Fee	-	-	100%
Bank Charges	-	80%	20%
Bank Interest	-	80%	20%
Cleaning	-	-	100%
Depreciation	-	80%	20%
Insurances	-	100%	-
Licences	-	100%	-
Leasing of Equipment	-	80%	20%
Legal Fees	-	100%	-
Light and Heat	-	-	100%
Mortgage Interest	-	100%	-
Printing, Postage and Stationery	-	80%	20%
Professional Fees - B.Jobling Consultancy	-	80%	20%
Property Running Costs			
- Brenkley Colliery	-	100%	-
- Alderman Fenwick's	-	100%	-
- Old Low Light	-	100%	-
Rent Commission and Letting Fees	-	100%	-
Sundry Expenses	-	80%	20%
Telephone	-	80%	20%

2. INCOMING RESOURCES

Incoming resources are represented by grants receivable, rents receivable and membership subscriptions received, stated net of value added tax where applicable.

3. NET INCOMING RESOURCES

This is stated after charging / (crediting):	2002	2001
	£	£
Net Rental Income	(162,829)	(167,000)
Auditors' Remuneration	1,300	1,250
Council of Management Fees	-	-
Depreciation	648	648
Operating Lease Costs:		
Fixtures and Fittings	1,260	1,276

No reimbursement of expenses has been made or is due to be made to any of the Trustees in respect of the year.

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

4. TOTAL RESOURCES EXPENDED

	Direct	Management and Administration	Total 2002	Total 2001
	£	£	£	£
Accounting and Administration	11,112	2,778	13,890	12,822
Audit Fee	-	1,300	1,300	1,250
Bank Charges	90	23	113	90
Depreciation	518	130	648	648
Insurance	1,083	-	1,083	972
Leasing of Equipment	1,008	252	1,260	1,276
Licences	175	-	175	175
Light and Heat	-	82	82	99
Mortgage Interest	34,625	-	34,625	42,063
Office Cleaning	-	1,371	1,371	1,539
Printing, Postage and Stationery	373	93	466	168
Professional Fees	29,061	7,265	36,326	36,267
Property Running Costs				
- Brenkley Colliery	3,672	-	3,672	6,490
- Alderman Fenwick's	32,141	-	32,141	21,184
- Old Low Light	2,554	-	2,554	2,026
- Dunston Staithes	15,729	-	15,729	-
Rent Commission and Letting Fees	6,696	-	6,696	9,929
Sundry Expenses	222	56	278	285
Telephone	538	135	673	607
	<u>£139,597</u>	<u>£13,485</u>	<u>£153,082</u>	<u>£ 137,890</u>

5. INVESTMENT INCOME

	2002	2001
	£	£
Bank Interest Received	3,570	9,813
Dividends Received	81	71
	<u>£ 3,651</u>	<u>£ 9,884</u>

6. INTEREST PAYABLE

	2002	2001
	£	£
Other Loans Wholly Repayable within Five Years	<u>£ 34,625</u>	<u>£ 42,063</u>

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

7. FIXED ASSETS

	FIXTURES AND FITTINGS	Freehold DUNSTON STAITHES	Leasehold OLD LOW LIGHT	Leasehold BRENKLEY COLLIERY	Leasehold ALDERMAN FENWICK'S	Buildings or Structures in the Course of Preservation	TOTAL
	£	£	£	£	£	£	£
COST							
At 1st April 2001	4,318	-	3,608	633,024	2,152,242	602,315	3,395,507
Additions	-	-	-	-	-	15,665	15,665
At 31st March 2002	4,318	-	3,608	633,024	2,152,242	617,980	3,411,172
DEPRECIATION							
At 1st April 2001	1,944	-	-	-	-	-	1,944
Charge for year	648	-	-	-	-	-	648
At 31st March 2002	2,592	-	-	-	-	-	2,592
At 31st March 2002	£1,726	£ -	£3,608	£633,024	£2,152,242	£617,980	3,408,580
At 31st March 2001	£2,374	£ -	£3,608	£633,024	£2,152,242	£602,315	3,393,563

Buildings or Structures in the Course of Preservation had previously been included within Work in Progress but, this would not be in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities published in October 2000. The gross expenditure relating to the assets has now been included within fixed assets and the related grants received have been included within Restricted Funds (see Note 11).

This change of accounting policy is material and so the figures for 2001 have been restated.

8. INVESTMENTS

		2002 £	2001 £
Listed Investment	- At Cost	£ -	£ -
	- At Market Value	£ 3,500	£ 2,535

Investments are represented by the following material holding;

- Northern Rock Plc;
500 Ordinary shares of £1 which represent 100% of the market value of the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

9. DEBTORS

	2002	2001
	£	£
Due within one year:		
Prepayments	15,341	14,491
Preservation Expenditure	16,526	4,326
Accrued Income	2,997	5,270
	<u>£ 34,864</u>	<u>£ 24,087</u>

10. CREDITORS: Amounts falling due within one year.

	2002	2001
	£	£
Mortgage Loan	440,600	468,565
Other Creditors	26,752	21,383
Accruals	1,811	2,061
	<u>£ 469,163</u>	<u>£ 492,009</u>

The mortgage loan is secured by a legal charge on the Brenkley Colliery property, and has no fixed terms of repayment. The loan represents 69.6% (2001 74%) of the carrying value of the property as defined in Accounting Policies.

11. RESTRICTED FUNDS

The restricted funds represent amounts received by way of grants in respect of refurbishment and restoration of historic buildings or structures:

	2002	2001
	£	(restated) £
Alderman Fenwick's House	2,152,242	2,152,242
28/30 The Close	564,668	564,668
	<u>£ 2,716,910</u>	<u>£ 2,716,910</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Tangible Fixed Assets	-	1,726	1,726
Properties	2,716,910	689,944	3,406,854
Investments	-	3,500	3,500
Current Assets	-	211,061	211,061
Current Liabilities	-	(469,163)	(469,163)
	<u>£ 2,716,910</u>	<u>437,068</u>	<u>£ 3,153,978</u>

TYNE AND WEAR BUILDING PRESERVATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2002

13. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for in the accounts are £ Nil (2001 - £ Nil).

14. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2002 the company had annual commitments under non - cancellable operating leases as set out below:

	2002	2001
	Fixtures and Fittings	
	£	£
Operating Leases Which Expire:		
Within 2 to 5 Years	1,260	1,260
	<u>£ 1,260</u>	<u>£ 1,260</u>

15. RELATED PARTY TRANSACTIONS

Mr B. Jobling is the Secretary of the Trust and Technical Adviser. During the year fees of £ 36,326 (2001 - £ 36,267) were charged for these services of which £ 3,061 (2000 - £ 3,013) was owed at the year end.

Mr D.T. Walker the Honorary Treasurer of the Trust is also a consultant with Tait Walker, Chartered Accountants. During the year Tait Walker provided accountancy and administrative services for fees of £ 13,890 (2001 - £ 12,822) of which £ 7,440 (2001 - £ 6,157) was owed at the year end.

Mrs G. McCombie is a trustee of the Trust. During the year fees of £2,218 (2001 - £nil) were charged for historical research of which £nil (2001 - £nil) was owed at the year end.

16. CONTROLLING PARTY

The members of the Council of Management consider that the Trust has no ultimate controlling party other than the Trust's governing body, themselves.