# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

England & Wales · Charity number 222154

## Details

| | |
|---|---|
| **Status** | Registered |
| **Legal form** | Other |
| **Registered** | 1964-05-06 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Town Hall<br>Marygate<br>Berwick-Upon-Tweed<br>TD15 1BN |
| **Phone** | 01289330900 |
| **Email** | berwicktrustees@yahoo.co.uk |

## Activities

**Objects:** FOR THE BENEFIT OF FREEMEN AND WIDOWS OF FREEMEN OF BERWICK UPON TWEED AND FOR THE BENEFIT OF THE CORPORATION

**Activities:** General Charitable Purposes

## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Religious Activities, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- **Area of benefit:** BERWICK UPON TWEED
- Northumberland

Downloaded from opencharities.uk/ew/222154

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £783,156 | £783,156 | £30,562,851 | 1 |
| 2024-03-31 | £806,687 | £806,687 | £29,975,628 | 1 |
| 2023-03-31 | £698,313 | £698,313 | £27,907,252 | 1 |
| 2022-03-31 | £635,165 | £635,165 | £27,513,438 | 1 |
| 2021-03-31 | £649,774 | £649,774 | £26,109,260 | 1 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **MICHAEL W HERRIOTT** | Chair | |
| ARTHUR WILLIAM HERRIOTT | | |
| CAPTAIN JAMES EVANS | | |
| Councillor Laura Hawken | | 2025-12-03 |
| Councillor Philip John Rowe | | 2025-12-03 |
| Councillor Rosemary Mackenzie | | 2022-12-07 |
| Councillor Thomas Leslie Stewart | | 2022-12-07 |
| DAVID BORTHWICK PATTERSON HERRIOTT | | |
| DAVID FAIRNELL | | |
| Michael William Greener | | 2022-04-29 |

## Linked charities

- MEADOWS (222154-1)
- STINTS IN LIEU OF MEADOWS (222154-2)
- STINTS (222154-3)
- TREASURER'S FARM'S (222154-4)

Downloaded from opencharities.uk/ew/222154

**BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES**

England & Wales - Charity number 222154

# Accounts

Charity number: 222154

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR END 31 MARCH 2025

BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

CONTENTS


| | Page |
|---|---|
| Reference and administrative details of the Charity, its Trustees and advisers | 1 - 2 |
| Trustees' report | 3 - 13 |
| Independent auditors' report on the financial statements | 14 - 17 |
| Statement of financial activities | 18 |
| Balance sheet | 19 |
| Statement of cash flows | 20 |
| Notes to the financial statements | 21 - 41 |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR END 31 MARCH 2025

| | |
|---|---|
| **Trustees** | Captain J.E. Evans<br>Mr D. Fairnell<br>Mr D. B. P. Herriott<br>Mr A. W. Herriott<br>Mr M. W. Herriott, Vice Chair<br>Councillor M. Greener<br>Councillor T. Stewart, Chair<br>Councillor R. Mackenzie<br>Councillor L. Stephenson<br>Councillor J. Turton |
| **Charity registered number** | 222154 |
| **Principal office** | Town Hall<br>Marygate<br>Berwick upon Tweed<br>TD15 1BN |
| **Independent auditors** | Kinnair Associates Limited<br>Chartered Accountants<br>Aston House<br>Redburn Road<br>Westerhope<br>Newcastle upon Tyne<br>NE5 1NB |
| **Bankers** | Bank of Scotland<br>61 Hide Hill<br>Berwick upon Tweed<br>TD15 1EN |
| **Solicitors** | Womble Bond Dickinson<br>St. Ann's Wharf<br>112 Quayside<br>Newcastle upon Tyne<br>NE99 1SB |
| **Chartered Accountants** | Ryecroft Glenton<br>32 Portland Terrace<br>Newcastle upon Tyne<br>NE2 1QP |
| **Land Steward** | A. Hamilton<br>Edwin Thompson LLP<br>Chartered Surveyors<br>44-48 Hide Hill<br>Berwick upon Tweed<br>TD15 1AB |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR END 31 MARCH 2025

| | |
|---|---|
| **Investment Advisor** | RBC Brewin Dolphin Limited<br>Time Central<br>Gallowgate<br>Newcastle upon Tyne<br>NE1 4SR |
| **Accountant** | C. R. J. Oakley |
| **Clerk** | W. E. Henry |

# TRUSTEES' REPORT
# FOR THE YEAR END 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 April 2024 to 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Objectives and activities

### • Policies and objectives

The Charity known as Berwick-upon-Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament - the Berwick-upon-Tweed Corporation Act 1843 and the Berwick- upon-Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

The Act of 1843 settled and established the rights of the Resident Freemen and Widows of Freemen of Berwick-upon-Tweed and set down the manner in which the income from the Estate's land holdings and investments was to be distributed; the Act of 1926 made provision for the establishment of the Trust and the vesting of the Estate in the Trustees and established the manner in which the Trust was to operate.

Subsequent arbitrations have been concerned in the construction of the Acts of 1843 and 1926 and the rights, powers and duties of the Trustees, their officers and other interested parties.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### • Strategies for achieving objectives

The Trustees meet monthly to conduct the business of the Charity in accordance with the provisions of the 1926 Act, and the administration of the Trust is undertaken on a day-to-day basis by their clerk (Liam Henry), their Accountant (Charles Oakley) and their Land Steward (Andrew Hamilton). The Trust's retained Legal Advisors are Womble Bond Dickinson of Newcastle-upon-Tyne; their Auditors, Kinnair Associates Limited of Newcastle-upon-Tyne; their Chartered Accountants, Ryecroft Glenton of Newcastle-upon-Tyne; and their investment advisors and stockbrokers, Brewin Dolphin of Newcastle-upon- Tyne.

### • Activities undertaken to achieve objectives

The bulk of the Trustees' income is derived from their agricultural Estate and investments. The agricultural land, mainly to the north of the River Tweed and amounting to over 2,250 acres, is divided into a number of holdings, the tenancies of which are governed by the Agricultural Holdings Acts. The capital value of the investments is £10.973m. The income from the Estate and investments is distributed to the Guild of Freemen and their Widows and a number of other beneficiaries in accordance with the terms of the governing acts and the arbitrations made thereunder.

## Achievements and performance

- **Review of activities**

### General developments

**Retail Park site** – the development of the further retail buildings on the remaining Trustees land has been significantly delayed with the progress of the planning application by the major national retailer taking some considerable to come forward as the retailer's requirements subject to change during the year. A number of outstanding issues with the newly developed part of the site are proving difficult to resolve. The Trustees had, however, agreed to enter into a "promotion" agreement with the retail developer and their construction partner to better facilitate the development of the remaining area in conjunction with the Trustees' retained land at West Hope.

**West Hope site** – the master planning of this land, to be undertaken as part of the promotion agreement by the retail developer, made little progress during the year as the focus fell on the development of the retail land.

### Estate management

The Trustees agreed to enter into an option agreement for the purposes of a solar farm and associated battery storage site with a third party developer on their land subject to planning permission being obtained and a satisfactory environmental impact assessment being completed.

The sale of Baldersbury Hill farmhouse, the completion of which had been delayed due to complications caused, in the main, by the damage occasioned to the property by Storm Arwen and the subsequent dealings with the Trustees insurers as well as conflicting VAT advice relating to the transaction was completed

Substantive progress was still awaited on The Trustees agreement to the demolition of one of the farm steading buildings comprised within the Puntons farm tenancy at West Edge Farm and its replacement with a new manure store, with funding for the steel structure and roof still to be identified. New tenancy agreements in respect of West Edge and Brow of the Hill were progressed

The sale of the small area of land adjoining Conundrum Farmhouse as garden land to the property's owners was completed.

The Trustees considered the purchase of a neighbouring farm but after an inspection of the land by the Land Steward and representatives of the Trustees it weas decided not to proceed with the matter due to the level of investment and work required to bring the farm up to full production value

An interest was expressed by a third party via Northumberland County Council in respect of land to the north of the Ramparts Business Park for the purposes of a data centre but the developer eventually chose to proceed with a site in Edinburgh.

### Town Hall

Pursuant to actions agreed under the previously obtained access audit report applications were made for listed building consent for an internal platform lift and alterations to the ground floor café space. The funding for such works is yet to identified and the assistance of the Town Council has been sought to identify likely grant funding. Preliminary costs for the works identified necessary as a response to the access audit were awaited from the Trustees Conservation Architect

The works identified the previous year to the stone column on the south west corner of the portico had yet to be progressed with the Trustees preferred contractor unable to proceed with the works as planned. Further quotes for the works are to be obtained as soon as possible

## Achievements and performance (continued)

The duck boards on the roof of the building were replaced following a competitive tendering exercise

The Trustees received notice from the operators of the telecommunications mast that they wished to impose a new lease with substantial rent reductions the commencement of which the Trustees were able to delay by allowing early access to the building for essential works to be carried out by the operator.

### Charter Market

Following an expression of interest from the authority the Trustees agreed to transfer responsibility for the operation of the Charter Market from Northumberland County Council to Berwick upon Tweed Town Council under the terms of a long lease.

**Achievements and performance (continued)**

- **Investment policy**

1) INTRODUCTION

1.1 The Charity known as Berwick upon Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament – the Berwick upon Tweed Corporation Act 1843 and the Berwick upon Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

1.2 The financial objective of the Charity is to at least maintain the long term real value of the assets whilst generating a growing income to fund grant making. The inflation measure most relevant to the Trust's expenditure is the Consumer Price Index.

1.3 The bulk of the Trustees' income is derived from their agricultural estate and investments. The Trust has three investment portfolios. As at the date of this policy, Schedule III with approximately £8m, Schedule 1 & II with approximately £1.3m, and Schedule IV with £2.2m, making a total of £13.3m of investment assets.

1.4 The Schedules relates to funds invested from the proceeds of different areas of land owned by the Trust. Schedule I is the Meadows; Schedule II is the Stints (grazing land). Income from these two schedules is distributed to Resident Freemen and widows of freeman; Schedule III relates to a large parcel of land to the north of the town, with income used by the town council; and Schedule IV is the Treasurers Farm, and historically used to finance the running of the town.

2) INVESTMENT OBJECTIVES

2.1 The Charity seeks to produce the best financial return within an acceptable level of risk which equates to RBC Brewin Dolphin's risk category 6 – Moderate Investment Risk with an Income and Capital Growth investment objective. This applies to all portfolios.

2.2 The Charity aims to maintain the long-term purchasing power of the capital against inflation whilst producing a reasonable and growing income. This should allow the Trust to at least maintain the real value of the assets.

2.3 There is no income target.

2.4 The managers will also aim to at least match the performance of the major benchmark indices that relate to the respective asset groups e.g. FT British Government All Securities Index, iBoxx Corporate Bond Index, FTSE All-Share Index and the FTSE All World (ex UK) Index. The total performance of the fund will also be compared to the RBC Brewin Dolphin Risk Category 6 Moderate Investment Risk benchmark.

2.5 The performance will also be compared to the movement in the Consumer Price Index.

2.6 The Trust adopts a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted grant making expenditure, in the long term the real value of the Trust will still be maintained in accordance with the investment objective above.

**Achievements and performance (continued)**

3) RISK

**3.1 Attitude to risk**

The Trust relies on the investment return to fund grant making. However, grants are generally one-off awards and the number and value of these may vary depending on circumstances.

The key risk to the long term sustainability of the Trust is inflation and the assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The Trustees are able to tolerate volatility of the capital value of the Trust, as long as it is able to meet its short term commitments through either income or liquid capital assets.

**3.2 Assets**

The Trust's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes could include cash, bonds, equities, property, hedge funds, structured products, infrastructure funds, private equity, commodities and any other asset that is deemed suitable.

The Trustees are charged with agreeing a suitable asset allocation strategy with the investment managers, which is set so as to achieve the overall Trust investment objective. RBC Brewin Dolphin Risk Category 6 Benchmark has been deemed a suitable benchmark and the current target weightings and ranges are set out as per below:

| Asset Class | Target, % | Ranges, % |
|---|---|---|
| Fixed Interest | 17 | 9.5 – 24.5 |
| UK Equities | 19 | 11.5 – 26.5 |
| Overseas Equities | 49.5 | 42 – 57 |
| Alternative Investments | 9 | 2.5 – 16.5 |
| Property | 3 | 0 – 10.5 |
| Cash | 2.5 | 0 – 10 |

**3.3 Currency**

The base currency of the investment portfolio is Sterling. Investment may be made in non?Sterling assets as long as the asset allocation remains within the ranges permitted.

**3.4 Credit**

The Charity's cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Deposits should be spread by counterparty.

Bond exposure should largely be via collectives although direct bonds are also permitted.

4) LIQUIDITY REQUIREMENTS

**4.1** The Charity's distributions can be funded from both income and capital.

**4.2** At least 70% of the assets should be in investments that can be realised within three months.

**4.3** There is no minimum that should be kept in cash at any given time.

Achievements and performance (continued)

5) TIME HORIZON

5.1 The Charity is expected to exist in perpetuity and investments should be managed to meet the i nvestment objective and ensure this sustainability.

5.2 The Charity can adopt a long term investment time horizon.

6) SUSTAINABILITY POLICY

6.1 The Trustees wish to adopt industry best practice and are committed to investing in a sustainable manner. The Trustees expect the investment manager to integrate environmental, social and governance (ESG) considerations into investment management processes and ownership practices.

6.2 The Trust's assets should be invested in line with its aims. The trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Trust's purpose.

6.3 The Trustees note that pooled funds are used by many investors looking to access a wider range of stocks and improve diversification. While investing in pooled funds means the charity could have indirect exposure to some of restricted areas, the level of potential exposure is considered immaterial and not in conflict with the charity's aims.

7) MANAGEMENT, REPORTING & MONITORING

7.1 The Charity has appointed a professional investment management firm to manage the investment assets on a discretionary basis in line with this policy. Investment managers provide custody of assets. Managers are required to produce a valuation and performance report quarterly. The Charity has nominated a list of authorised signatories, two of whom are required to sign instructions to the investment manager.

7.2 The trustees have responsibility for agreeing strategy and monitoring the investment assets. The investment managers will present to the trustees at least annually to review the portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed benchmark

8) APPROVAL AND REVIEW

This Investment Policy Statement was prepared by the Trustees of Berwick upon Tweed Corporation (Freemen) to provide a framework for the management of its investment assets. It will be reviewed on an annual basis to ensure continuing appropriateness.

**Achievements and performance (continued)**

- **Investment performance**

The Trustees seek to achieve the best financial return within an acceptable level of risk, from a combination of income and capital growth. The charity is a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds, and property, with some cash.

The portfolio total return was +3.1% for the year to 31 March 2025 (2024: +12.4%). This compares with total returns for the following indices:

| | Year to 31.03.25 | Year to 31.03.24 |
|---|---|---|
| BD Risk Category 6 Benchmark | +6.5% | + 13.4% |
| FTSE British Government All Stocks Index | -1.2% | -0.0% |
| Iboxx £ Corporate Bond Index | +2.3% | +7.4% |
| FTSE All Share Index | +10.5% | +8.4% |
| FTSE All World Ex UK Index | +5.2% | +21.4% |
| Morning Star Property Index | +6.2% | -3.5% |
| IA Targeted Absolute Return Index | +4.5% | +6.3% |

The Brewin Dolphin Risk Category 6 Benchmark comprises 3.5% UK Gilts, 2.5% UK Bonds, 11% Overseas Bonds, 17% UK Equities, 51.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

Global equities continued to make new highs at the start of the year supported by resilience in the US economy and the increasing prospects of a 'soft landing'. There was a clear divergence in US and Eurozone market performances and, while the S&P 500 and NASDAQ Composite indexes reached record highs as investors continued piling into tech stocks, Europe ended barely in the black.

However, the momentum built up over the previous couple of months stalled in the latter half of July and, after the global 'Crowdstrike' outage, investors began to look for alternative ways of playing the spread of artificial intelligence (AI). August was also something of a rollercoaster ride as, with inflation concerns falling, a US employment report came in below forecasts for only the fifth time in the previous two years. The possibility of a US recession became a greater concern and was initially thought to be the catalyst for the sell-off in technology stocks. However, with US rates set to decline the (fairly long running) dollar/Yen carry trade became less attractive and, in early August, the yen started to appreciate very fast. This put pressure on investors being squeezed out of the trade to reduce positions and the Japanese TOPIX index fell a stunning 12% in a single session. The knock-on effects were felt across global markets and the gains made by semi-conductor and AI-related stocks were particularly targeted.

At the beginning of November the action was dominated by the US presidential election. The reaction to the results was largely intuitive and equities generally benefited, reflecting the prospect of less regulation and potentially lower taxes. However, the erratic nature of President Trump warranted an increased premium for risky assets and the imposition of tariffs, which could reduce global growth and re-fuel inflation, and saw treasury yields rise sharply.

It was always likely to be a lively start to 2025, with the inauguration of the most unorthodox US president in living history, but major markets performed well in January. Even so, the performance of the US equity market had been broadening out since the election in November and, although 2024 had been a strong year for the 'Magnificent Seven' mega-cap stocks, the month saw the group lose further ground against the wider market.
There have been two distinct phases to the market action since the US election. The first was a repeat of the 'Trump bump' experienced in his first term and this took place after the result confirmed he would have a second term, as investors reacted to the prospect of anticipated benefits, such as reduced regulation and the possibility of tax cuts. However, the bump became a slump and, from mid-February, there was a sharp sell-off for global equities, driven almost entirely by the US. The most obvious rationale for the sell-off was trade tariffs and the dramatic escalation in Trump's global trade war.

**Achievements and performance (continued)**

A handful of UK stocks have weighed on relative performance. The UK market is closely linked to the performance of value versus growth, and, while there are reasons to believe that the outlook for the growth style is brighter, we consider that some diversification continues to make sense. The domestic allocation also makes a significant contribution to portfolio income.

**Financial review**

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

At 31 March 2025, the Charity had total funds of £30,562,851 (2024: £29,975,628), all of which are endowment funds. The endowment funds consist of property held to generate future income. There are no restricted funds at the financial year end as all surpluses are paid out to beneficiaries.

1. The Trustees recognise that the level of reserves and balances must be appropriate for the financial challenges that the prevailing and future environment may present

2. The Trustees also recognise that the level of reserves and balances are to be maintained at a level appropriate for the organization.

3. The Trustees will comply with the law and all statutory guidance relating to the maintenance of reserves and balances. Similarly it will refer to non-statutory guidance wherever it is available.

4. The Trustees will in certain circumstances consider the creation of reserves for specific purposes and for a defined time period. These reserves are called Earmarked Reserves and will be approved by the Trustees.

5. The level of a specific reserve, its purpose and a process to authorise release of funds will be defined at the time of its proposal.

- **Review of the financial position at the year end**

The income of the charity for the year amounts to £783,156 (2024: £806,687) and costs of £783,156 (2024: £806,687) giving a surplus of £nil (2024: £nil). Endowment funds at the year end amount to £30,562,851 (2024: £29,975,628).

- **Material investments policy**

The Freemen Trustees have transferred the responsibilities for the management of investments to a third party with the appropriate levels of capacity and expertise to undertake this role. The current investment managers were appointed following a competitive tender process.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

- **Principal funding**

The principal source of funding is derived from a combination of land/property rental income and interest received from investments.

**Structure, governance and management**

- **Constitution**

Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154, and is constituted under a Trust deed.

It is regulated by the Berwick upon Tweed Corporation (Freemen) Acts 1843 and 1926.

- **Methods of appointment or election of Trustees**

The Trustees were incorporated as a body by The Berwick-upon-Tweed Corporation (Freemen) Act 1926. The Trustees Committee comprises of five non-freemen appointed by Berwick-upon-Tweed Town Council in November each year and five Freemen (who may be either resident or non-resident in the Borough) elected by the Freemen in October or November each year.

- **Organisational structure and decision-making policies**

The Trustees serve in accordance with the governing document and hold regular meetings throughout the year.

The Trust and its property are administered and managed in accordance with the constitution by the Trustees Committee.

- **Policies adopted for the induction and training of Trustees**

A basic explanation of the roles and duties of a Trustee are provided upon appointment. This includes information and documentation relating to both the history and governance of both the Trustees and Guild of Freemen.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

## Plans for future periods

The retail site at North Road and the remaining land at West Hope present the main development opportunities for the immediate future although the Trustees continue to explore the development potential of their farm premises whenever the opportunity arises.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

## Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2025

### Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 3 December 2025 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

### Opinion

We have audited the financial statements of Berwick upon Tweed Corporation (Freemen) Trustees (the 'charity') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kinnair Associates Limited .

**Kinnair Associates Limited**

Chartered Accountants
Registered Auditors

Aston House

Redburn Road

Westerhope

Newcastle upon Tyne

NE5 1NB

3 December 2025

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR END 31 MARCH 2025

| | Note | Endowment funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ | *Total funds 2024 £* |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Investments | 3 | - | 735,048 | 735,048 | *675,003* |
| Other income | 4 | - | 48,108 | 48,108 | *131,684* |
| **Total income and endowments** | | - | 783,156 | 783,156 | *806,687* |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | - | 90,584 | 90,584 | *82,124* |
| Charitable activities | 7 | - | 692,572 | 692,572 | *724,563* |
| **Total expenditure** | | - | 783,156 | 783,156 | *806,687* |
| **Net income before net gains on investments** | | - | - | - | - |
| Net gains on investments | | 587,223 | - | 587,223 | *2,068,376* |
| **Net movement in funds** | | 587,223 | - | 587,223 | *2,068,376* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 29,975,628 | - | 29,975,628 | *27,907,252* |
| Net movement in funds | | 587,223 | - | 587,223 | *2,068,376* |
| **Total funds carried forward** | | 30,562,851 | - | 30,562,851 | *29,975,628* |

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

The notes on pages 21 to 41 form part of these financial statements.

## BALANCE SHEET
## AS AT 31 MARCH 2025

| | Note | | 2025 £ | | 2024 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Heritage assets | 16 | | **3,770** | | *3,770* |
| Investments | 17 | | **10,972,919** | | *10,305,605* |
| Investment property | 15 | | **19,750,000** | | *19,825,000* |
| | | | **30,726,689** | | *30,134,375* |
| **Current assets** | | | | | |
| Debtors | 18 | **124,428** | | *164,717* | |
| Cash at bank and in hand | | **732,727** | | *702,165* | |
| | | **857,155** | | *866,882* | |
| **Current liabilities** | | | | | |
| Creditors: amounts falling due within one year | 19 | **(1,020,993)** | | *(1,025,629)* | |
| **Net current liabilities** | | | **(163,838)** | | *(158,747)* |
| **Total assets less current liabilities** | | | **30,562,851** | | *29,975,628* |
| **Total net assets** | | | **30,562,851** | | *29,975,628* |
| **Charity funds** | | | | | |
| Endowment funds | 21 | | **30,562,851** | | *29,975,628* |
| **Total funds** | | | **30,562,851** | | *29,975,628* |

The financial statements were approved and authorised for issue by the Trustees on 03 December 2025 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

The notes on pages 21 to 41 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR END 31 MARCH 2025

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash generated from operating activities | **35,653** | *31,457* |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **2,522,938** | *1,564,512* |
| Purchase of investments | **(2,528,029)** | *(1,618,638)* |
| **Net cash used in investing activities** | **(5,091)** | **(54,126)** |
| **Change in cash and cash equivalents in the year** | **30,562** | **(22,669)** |
| Cash and cash equivalents at the beginning of the year | **702,165** | *724,834* |
| **Cash and cash equivalents at the end of the year** | **732,727** | *702,165* |

The notes on pages 21 to 41 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2025

### 1. General information

The Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154. The charity is unincorporated and its registered office is Town Hall, Marygate, Berwick upon Tweed, TD15 1BN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Berwick upon Tweed Corporation (Freemen) Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 2.2 Going concern

The charitable trust has cash resources and no requirement for external funding. The trustees have reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | | |
|---|---|---|
| Intangible assets | - | 5 years straight line |

### 2.7 Heritage assets

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the Town Hall wholly written off but to capitalise any subsequent costs incurred upon work of reconstruction or fundamental repairs to the building whenever considered appropriate.

## 2. Accounting policies (continued)

### 2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are included in the balance sheet at their open market value in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" and are not depreciated.

### 2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable.

## 2. Accounting policies (continued)

### 2.14 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Investment income

| | Restricted funds 2025 £ | Total funds 2025 £ |
|---|---|---|
| Rents received | 454,058 | **454,058** |
| Investment income - listed investments | 273,706 | **273,706** |
| Bank interest | 7,284 | **7,284** |
| | 735,048 | **735,048** |

| | *Restricted funds 2024 £* | *Total funds 2024 £* |
|---|---|---|
| Rents received | *428,872* | *428,872* |
| Investment income - listed investments | *239,446* | *239,446* |
| Bank interest | *6,685* | *6,685* |
| | *675,003* | *675,003* |

## 4. Other incoming resources

| | Restricted funds 2025 £ | Total funds 2025 £ |
|---|---|---|
| Other income (note 5) | 48,108 | **48,108** |

| | *Restricted funds 2024 £* | *Total funds 2024 £* |
|---|---|---|
| Other income (note 5) | *131,684* | *131,684* |

## 5. Other income

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Easement income | - | *52,500* |
| Reimbursement of professional fees by buyer of land | - | *73,420* |
| Bishopwood Renewables | 4,000 | - |
| TCD Estates | 29,400 | - |
| Other income | 14,708 | *5,764* |
| | 48,108 | *131,684* |

## 6. Investment management costs

| | Restricted funds 2025<br>£ | Total funds 2025<br>£ |
|---|---|---|
| Investment manager | 49,059 | **49,059** |
| Land Steward | 41,525 | **41,525** |
| | 90,584 | **90,584** |

| | *Restricted funds 2024*<br>*£* | *Total funds 2024*<br>*£* |
|---|---|---|
| Investment manager | *40,817* | *40,817* |
| Land Steward | *41,307* | *41,307* |
| | *82,124* | *82,124* |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Restricted funds 2025 £ | Total 2025 £ |
|---|---|---|
| Direct costs | 692,572 | **692,572** |

| | *Restricted funds 2024 £* | *Total 2024 £* |
|---|---|---|
| Direct costs | *724,563* | *724,563* |

### Summary by expenditure type

| | Staff costs 2025 £ | Other costs 2025 £ | Total 2025 £ |
|---|---|---|---|
| Direct costs - Activities | 36,525 | 656,047 | **692,572** |

| | *Staff costs 2024 £* | *Other costs 2024 £* | *Total 2024 £* |
|---|---|---|---|
| Direct costs - Activities | *35,251* | *689,312* | *724,563* |

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2025 £ | Support costs 2025 £ | Total funds 2025 £ |
|---|---|---|---|
| Direct costs | 488,222 | 204,350 | **692,572** |

8. Analysis of expenditure by activities (continued)

| | *Activities undertaken directly 2024 £* | *Support costs 2024 £* | *Total funds 2024 £* |
|---|---|---|---|
| Direct costs | *474,806* | *249,757* | *724,563* |

**Analysis of direct costs**

| | **Activities 2025 £** | **Total funds 2025 £** |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | 86,346 | **86,346** |
| Corporation Academy Foundation | 450 | **450** |
| Payment to Oldest Freemen | 50 | **50** |
| Payment of Surplus on Schedule III | 397,798 | **397,798** |
| Surplus on Schedule I and II | 3,578 | **3,578** |
| | 488,222 | **488,222** |

| | *Activities 2024 £* | *Total funds 2024 £* |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | *83,486* | *83,486* |
| Corporation Academy Foundation | *450* | *450* |
| Payment to Oldest Freemen | *50* | *50* |
| Stints in Lieu of Meadows | *265* | *265* |
| Payment of Surplus on Schedule III | *389,069* | *389,069* |
| Surplus on Schedule I and II | *1,486* | *1,486* |
| | *474,806* | *474,806* |

8. **Analysis of expenditure by activities (continued)**

**Analysis of support costs**

| | Activities 2025 £ | Total funds 2025 £ |
|---|---|---|
| Staff costs | 36,525 | **36,525** |
| Heating, lighting and cleaning | 26,707 | **26,707** |
| Rates | 3,850 | **3,850** |
| Insurance - Estate | 34,825 | **34,825** |
| Repairs and improvements | 14,129 | **14,129** |
| Furniture and fittings | 623 | **623** |
| Estate - repairs and maintenance | 8,647 | **8,647** |
| Insurance - Town Hall | 15,771 | **15,771** |
| Legal and professional fees | 10,403 | **10,403** |
| Service charge | 31,039 | **31,039** |
| Freemen's Committee | 7,200 | **7,200** |
| Messenger | 160 | **160** |
| Printing and stationery | 1,716 | **1,716** |
| Governance costs | 12,110 | **12,110** |
| Miscellaneous expenses | 383 | **383** |
| Miscellaneous other employee costs | 262 | **262** |
| | 204,350 | **204,350** |

8. **Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2024 £* | *Total funds 2024 £* |
|---|---|---|
| Staff costs | *35,251* | *35,251* |
| Heating, lighting and cleaning | *23,314* | *23,314* |
| Rates | *3,553* | *3,553* |
| Insurance - Estate | *36,886* | *36,886* |
| Repairs and improvements | *14,566* | *14,566* |
| Furniture and fittings | *29* | *29* |
| Estate - repairs and maintenance | *43,359* | *43,359* |
| Insurance - Town Hall | *15,287* | *15,287* |
| Legal and professional fees | *24,116* | *24,116* |
| Service charge | *30,030* | *30,030* |
| Freemen's Committee | *6,998* | *6,998* |
| Messenger | *160* | *160* |
| Printing and stationery | *4,080* | *4,080* |
| Governance costs | *11,525* | *11,525* |
| Miscellaneous expenses | *367* | *367* |
| Miscellaneous other employee costs | *236* | *236* |
| | *249,757* | *249,757* |

Governance costs included above comprise:

| | **2025 £** | *2024 £* |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | **5,760** | *5,485* |
| Preparation of financial statements | **6,350** | *6,040* |
| | **12,110** | *11,525* |

## 9. Auditors' remuneration

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **5,760** | *5,485* |

## 10. Staff costs

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Wages and salaries | **33,236** | *32,104* |
| Contribution to defined contribution pension schemes | **3,289** | *3,147* |
| | **36,525** | *35,251* |

The average number of persons employed by the Charity during the year was as follows:

| | 2025<br>No. | *2024*<br>*No.* |
|---|---|---|
| Average number of full time equivalent staff | 1 | *1* |

No employee received remuneration amounting to more than £60,000 in either year.

## 11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

## 12. Gains and losses on revaluation of investment assets

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| (Loss)/gain on revaluation of listed securities | **(22,233)** | *852,148* |
| Gain on revaluation of investment properties | **325,000** | *875,000* |
| | **302,767** | *1,727,148* |

The total of note 12 and note 13 is disclosed as the net gains on investments in the Statement of Financial Activities.

## 13. Net gains on investments

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Gain on disposal of listed securities | **64,222** | *46,341* |
| Gain on disposal of investment properties | **220,234** | *294,887* |
| | **284,456** | *341,228* |

## 14. Intangible assets

| | Intangible assets £ |
|---|---|
| **Cost** | |
| At 1 April 2024 | **8,128** |
| At 31 March 2025 | **8,128** |
| **Amortisation** | |
| At 1 April 2024 | **8,128** |
| At 31 March 2025 | **8,128** |
| **Net book value** | |
| At 31 March 2025 | **-** |
| *At 31 March 2024* | - |

## 15. Investment property

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 April 2024 | 19,825,000 |
| Disposals | (400,000) |
| Surplus on revaluation | 325,000 |
| At 31 March 2025 | 19,750,000 |

The latest valuations were made in 2025 by Edwin Thompson LLP, chartered surveyors, on an open market value for existing use basis.

## 16. Heritage assets

**Assets recognised at cost**

| | Town Hall 2025 £ | Total 2025 £ |
|---|---|---|
| Carrying value at 1 April 2024 and 2025 | 3,770 | 3,770 |
| | 3,770 | 3,770 |

The above costs represent Town Hall restoration costs. The original cost of the Town Hall is not included in the balance sheet because in the opinion of the Trustees, the cost of professionally valuing the Town Hall to include a value in the financial statements outweighs the benefits to the users of the financial statements.

The Town Hall (including contents) has been valued for insurance purposes at £13,318,414.

## 17. Fixed asset investments

| | Listed investments £ | Cash held for re-investment £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2024 | **10,226,603** | **79,002** | **10,305,605** |
| Additions | **2,528,029** | **(48,187)** | **2,479,842** |
| Disposals | **(1,854,517)** | **-** | **(1,854,517)** |
| Revaluations | **41,989** | **-** | **41,989** |
| At 31 March 2025 | **10,942,104** | **30,815** | **10,972,919** |
| **Net book value** | | | |
| At 31 March 2025 | **10,942,104** | **30,815** | **10,972,919** |
| *At 31 March 2024* | *10,226,603* | *79,002* | *10,305,605* |

## 18. Debtors

| | 2025 £ | *2024 £* |
|---|---|---|
| **Due within one year** | | |
| Other debtors | **100** | *100* |
| Prepayments and accrued income | **124,328** | *164,617* |
| | **124,428** | *164,717* |

## 19. Creditors: Amounts falling due within one year

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Other taxation and social security | 34,977 | *9,079* |
| Other creditors | 469,096 | *456,790* |
| Accruals and deferred income | 516,920 | *559,760* |
| | 1,020,993 | *1,025,629* |

Deferred income is composed of deferred rental income and compensation received to rectify drainage problems and is being carried forward to be released at the same time as future associated expenditure.

Other creditors comprise:

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Berwick Town Council Schedule III Surplus | 199,769 | *195,405* |
| Freemen's Committee Schedule III Surplus | 198,029 | *193,664* |
| Retention Fund (1926 Act, sect. 27(3)) | 300 | *300* |
| Schedule I and II Lands Revenue | 70,998 | *67,421* |
| | 469,096 | *456,790* |

## 20. Financial instruments

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through income and expenditure | 10,972,919 | *10,305,605* |

Financial assets measured at fair value through income and expenditure comprise listed investments.

## 21. Statement of funds

### Statement of funds - current year

| | Balance at 1 April 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2025 £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | 3,110,094 | - | - | 127,973 | 3,238,067 |
| Schedule III Lands | 17,478,411 | - | - | 154,277 | 17,632,688 |
| Schedule IV Lands | 9,387,123 | - | - | 304,973 | 9,692,096 |
| | 29,975,628 | - | - | 587,223 | 30,562,851 |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | 94,210 | (94,210) | - | - |
| Schedule III Lands | - | 354,840 | (354,840) | - | - |
| Schedule IV Lands | - | 334,106 | (334,106) | - | - |
| | - | 783,156 | (783,156) | - | - |
| Total of funds | 29,975,628 | 783,156 | (783,156) | 587,223 | 30,562,851 |

## 21. Statement of funds (continued)

### Statement of funds - prior year

| | *Balance at 1 April 2023* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2024* £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | *2,930,222* | - | - | *179,872* | *3,110,094* |
| Schedule III Lands | *16,162,653* | - | - | *1,315,758* | *17,478,411* |
| Schedule IV Lands | *8,814,377* | - | - | *572,746* | *9,387,123* |
| | *27,907,252* | - | - | *2,068,376* | *29,975,628* |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | *87,639* | *(87,639)* | - | - |
| Schedule III Lands | - | *379,263* | *(379,263)* | - | - |
| Schedule IV Lands | - | *339,785* | *(339,785)* | - | - |
| | - | *806,687* | *(806,687)* | - | - |
| **Total of funds** | *27,907,252* | *806,687* | *(806,687)* | *2,068,376* | *29,975,628* |

## 22. Summary of funds

### Summary of funds - current year

| | **Balance at 1 April 2024** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 March 2025** £ |
|---|---|---|---|---|---|
| Endowment funds | **29,975,628** | - | - | **587,223** | **30,562,851** |
| Restricted funds | - | **783,156** | **(783,156)** | - | - |
| | **29,975,628** | **783,156** | **(783,156)** | **587,223** | **30,562,851** |

## 22. Summary of funds (continued)

### Summary of funds - prior year

| | *Balance at 1 April 2023* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2024* £ |
|---|---|---|---|---|---|
| Endowment funds | *27,907,252* | - | - | *2,068,376* | *29,975,628* |
| Restricted funds | - | *806,687* | *(806,687)* | - | - |
| | *27,907,252* | *806,687* | *(806,687)* | *2,068,376* | *29,975,628* |

## 23. Analysis of net assets between funds

### Analysis of net assets between funds - current year

| | **Endowment funds 2025** £ | **Total funds 2025** £ |
|---|---|---|
| Fixed asset investments | 10,972,919 | **10,972,919** |
| Investment property | 19,750,000 | **19,750,000** |
| Heritage assets | 3,770 | **3,770** |
| Current assets | 857,155 | **857,155** |
| Creditors due within one year | (1,020,993) | **(1,020,993)** |
| **Total** | 30,562,851 | **30,562,851** |

### Analysis of net assets between funds - prior year

| | *Endowment funds 2024* £ | *Total funds 2024* £ |
|---|---|---|
| Fixed asset investments | *10,305,605* | *10,305,605* |
| Investment property | *19,825,000* | *19,825,000* |
| Heritage assets | *3,770* | *3,770* |
| Current assets | *866,882* | *866,882* |
| Creditors due within one year | *(1,025,629)* | *(1,025,629)* |
| **Total** | *29,975,628* | *29,975,628* |

## 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | 587,223 | *2,068,376* |
| **Adjustments for:** | | |
| Gains on investments | (587,223) | *(2,068,376)* |
| Decrease/(increase) in debtors | 40,289 | *(34,799)* |
| (Decrease)/increase in creditors | (4,636) | *66,256* |
| **Net cash provided by operating activities** | 35,653 | *31,457* |

## 25. Analysis of cash and cash equivalents

| | 2025<br>£ | *2024*<br>*£* |
|---|---|---|
| Cash in hand | 732,727 | *702,165* |
| **Total cash and cash equivalents** | 732,727 | *702,165* |

## 26. Analysis of changes in net debt

| | At 1 April 2024<br>£ | Cash flows<br>£ | At 31 March 2025<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 702,165 | 30,562 | 732,727 |
| | 702,165 | 30,562 | 732,727 |

## 27. Pension commitments

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable. The charge for the year was £3,289 (2024: £3,147). No contributions are due at the year end.

## 28. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2025.

**BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES**

England & Wales - Charity number 222154

# Accounts

**Charity number: 222154**

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR END 31 MARCH 2024

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## CONTENTS


| | Page |
|---|---|
| **Reference and administrative details of the Charity, its Trustees and advisers** | 1 - 2 |
| **Trustees' report** | 3 - 11 |
| **Independent auditors' report on the financial statements** | 12 - 15 |
| **Statement of financial activities** | 16 |
| **Balance sheet** | 17 |
| **Statement of cash flows** | 18 |
| **Notes to the financial statements** | 19 - 39 |

## BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR END 31 MARCH 2024

| | |
|---|---|
| **Trustees** | Captain J.E. Evans<br>Councillor P. Jackson (resigned 29 September 2023)<br>Councillor R. Bruce (resigned 29 April 2023)<br>Mr D. Fairnell<br>Mr D. B. P. Herriott<br>Mr A. W. Herriott<br>Mr M. W. Herriott, Chair from 6 December 2023<br>Councillor M. Greener<br>Councillor T. Stewart, Vice Chair from 6 December 2023<br>Councillor R. Mackenzie<br>Councillor L. Stephenson<br>Councillor J. Turton |
| **Charity registered number** | 222154 |
| **Principal office** | Town Hall<br>Marygate<br>Berwick upon Tweed<br>TD15 1BN |
| **Independent auditors** | Kinnair Associates Limited<br>Chartered Accountants<br>Aston House<br>Redburn Road<br>Westerhope<br>Newcastle upon Tyne<br>NE5 1NB |
| **Bankers** | Bank of Scotland<br>61 Hide Hill<br>Berwick upon Tweed<br>TD15 1EN |
| **Solicitors** | Womble Bond Dickinson<br>St. Ann's Wharf<br>112 Quayside<br>Newcastle upon Tyne<br>NE99 1SB |
| **Chartered Accountants** | Ryecroft Glenton<br>32 Portland Terrace<br>Newcastle upon Tyne<br>NE2 1QP |
| **Land Steward** | A. Hamilton<br>Edwin Thompson LLP<br>Chartered Surveyors<br>44-48 Hide Hill<br>Berwick upon Tweed<br>TD15 1AB |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
## FOR THE YEAR END 31 MARCH 2024

| | |
|---|---|
| **Investment Advisor** | RBC Brewin Dolphin Limited<br>Time Central<br>Gallowgate<br>Newcastle upon Tyne<br>NE1 4SR |
| **Accountant** | C. R. J. Oakley |
| **Clerk** | W. E. Henry |

# TRUSTEES' REPORT
# FOR THE YEAR END 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 April 2023 to 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Objectives and activities

### • Policies and objectives

The Charity known as Berwick-upon-Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament - the Berwick-upon-Tweed Corporation Act 1843 and the Berwick- upon-Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

The Act of 1843 settled and established the rights of the Resident Freemen and Widows of Freemen of Berwick-upon-Tweed and set down the manner in which the income from the Estate's land holdings and investments was to be distributed; the Act of 1926 made provision for the establishment of the Trust and the vesting of the Estate in the Trustees and established the manner in which the Trust was to operate.

Subsequent arbitrations have been concerned in the construction of the Acts of 1843 and 1926 and the rights, powers and duties of the Trustees, their officers and other interested parties.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### • Strategies for achieving objectives

The Trustees meet monthly to conduct the business of the Charity in accordance with the provisions of the 1926 Act, and the administration of the Trust is undertaken on a day-to-day basis by their clerk (Liam Henry), their Accountant (Charles Oakley) and their Land Steward (Andrew Hamilton). The Trust's retained Legal Advisors are Womble Bond Dickinson of Newcastle-upon-Tyne; their Auditors, Kinnair Associates Limited of Newcastle-upon-Tyne; their Chartered Accountants, Ryecroft Glenton of Newcastle-upon-Tyne; and their investment advisors and stockbrokers, Brewin Dolphin of Newcastle-upon- Tyne.

### • Activities undertaken to achieve objectives

The bulk of the Trustees' income is derived from their agricultural Estate and investments. The agricultural land, mainly to the north of the River Tweed and amounting to over 2,250 acres, is divided into a number of holdings, the tenancies of which are governed by the Agricultural Holdings Acts. The capital value of the investments is £10.306m. The income from the Estate and investments is distributed to the Guild of Freemen and their Widows and a number of other beneficiaries in accordance with the terms of the governing acts and the arbitrations made thereunder.

## Achievements and performance

- **Review of activities**

### General developments

**Retail Park site** - further to the Trustees agreement to the grant of a licence agreement to the developer for the construction of further retail buildings on land retained by the Trustees for which a major national retailer had been identified amongst others, progress in relation to the full development of the site has been delayed for a range of reasons. The developer had indicated that they wished to exercise the option agreement which they had with the Trustees.

**West Hope site** – the Trustees have begun to look at an alternative route for the surface water drain which is to serve this site as a result of a failure to obtain the agreement of the land owner in relation to the former preferred route. An emphasis on the use of green land wherever possible is to be explored.

**Hudson Homes West Hope site** – following the decision taken last year by the Trustees to take responsibility for the drainage works on the site the works were progressed in a close working relationship with those responsible for the adjoining retail development to enable a masterplan to be developed for the wider land holding in this area of the estate.

### Estate management

The sale of Baldersbury Hill farmhouse, the completion of which had been delayed due to complications caused, in the main, by the damage occasioned to the property by Storm Arwen and the subsequent dealings with the Trustees insurers as well as conflicting VAT advice relating to the transaction is still to complete

Land at East Ord – AMP Clean Energy requested an easement from the Trustees to lay a cable in relation to their large-scale heat decarbonization project for the Tweed Valley Maltings which was agreed by the Trustees

The agricultural holding at Whitedamhead, some 80 acres, was marketed for let, following agreement from the Trustees to accede to the previous tenants desire to give up their tenancy, and received a healthy level of interest with the Trustees ultimately agreeing to accept an offer from Messrs Whiteford of Scremerston

The Trustees agreed to demolish one of the farm steading buildings comprised within the Puntons farm tenancy at West Edge Farm and to replace it with a new manure store, the steel structure and roof of which is to be grant funded. The store is to be treated as a tenant's improvement and written off over the next twenty years.

The sale of the small area of land adjoining Conundrum Farmhouse as garden land to the property's owners was still to complete at 31 March 2024.

Previously the owners of a commercial accommodation business in Berwick had approached the Land Steward seeking to acquire some of the Trustees land adjoining their business for the purpose of an extension to their operation. Having agreed that they would consider the matter should a proposal be brought forward nothing further had been heard from the party concerned and the matter was considered closed.

The Trustees became entitled during the year to a further payment of £20,000 from the ongoing development of the steading at Conundrum Farm by the original purchaser.

A request from the tenants at Brow of the Hill to extend the existing car park at the farm to accommodate employees parking was agreed.

It was agreed to split the cost of an electrical rewiring needed at No 2 Conundrum Farm Cottages with the tenant farmer.

## Achievements and performance (continued)

### Town Hall

The actions highlighted by last year's access audit report continued to be progressed during the year including the obtaining of a Conservation Assessment report with the Trustees receiving a presentation from their Conservation Architect which sought to outline the options which the Trustees might pursue should they ultimately decide to install a lift in the building, the costs of which they requested be identified for their detailed consideration. Concern was expressed about the adequacy of toilet provision in the building should lift works be progressed.

Notwithstanding the possibility that significant works might be carried out in due course to this part of the building in relation to any installation of a lift the Trustees agreed to have works of decoration carried out to the internal staircase access as well as the ground floor gentlemen's toilet.

It was identified that the stone column on the south west corner of the portico was badly delaminated in places and, following liaison with the Conservation Officer at Northumberland County Council, the Trustees agreed to replace some of the old stone with new quadrant stone to resolve the issue.

The metal railings at the front of the building were repaired and the nonslip marking on the front steps of the Town Hall was renewed during the year and it was agreed to replace the signs at this part of the building to be compliant with the prevailing British standard.

The Trustees also agreed to replace the duck boards on the roof of the building and had sought quotes from contractors.

### Town House café

Further to the decision taken previously the improvement works relating to the installation of secondary glazing were completed satisfactorily.

The premises again reopened as a café in the spring, under a three year lease, following a further expression of interest from a Mr I Longstaff and Mr M Parkin-Ross. The premises had also been occupied on a temporary basis by the Lindisfarne Methodist Church before and after Christmas for use as a community warm hub.

The website for the Town Hall, which the Trustees had commissioned last year, came into operation towards the end of the calendar year. The link for the site, which provides a range of information relating to the building including details regarding its hire, is https://berwicktownhall.org.uk.

**Achievements and performance (continued)**

- **Investment policy and performance**

Brewin Dolphin Asset Management responsibilities:

(a) To invest in a suitable, diversified portfolio of assets in accordance with The Trustees Act 2000.

(b) To act at their discretion, but within the guidelines set down by the Trustees as detailed in 4 below. In addition, the managers are expected to implement changes in the asset mix and select individual securities within each asset class.

(c) To provide the Trustees with regular valuations, in the form of an investment report describing activity during the period, performance against agreed benchmarks, a summary of market performance and the investment outlook.

(d) To notify the Trustees of transactions on a day to day basis.

(e) No more than 5% of the portfolio should be invested in any one equity.

(f) To review regularly the long-term investment objectives of the portfolio in the light of economic and market conditions and liaise with the Trustees on any proposed changes to asset allocation.

Long Term Objectives of the Trustees:

(a) To maintain the long-term purchasing power of the capital and income against inflation.

(b) To review the long-term performance of the investment managers on a rolling three year basis.

Performance Measurement:

(a) Performance will be monitored on a regular basis and analysed in the managers' investment report.

(b) The managers will aim to at least match the performance of the major benchmark indices that relate to the respective asset groups, et FT British Government Securities Index, FTSE Actuaries All- Share Index and the FT/S&P World Index (sterling based).

(c) The performance will also be compared with the Association of Private Client Investment Managers & Stockbrokers (APCIMS) Income index and Retail Price Index.

The Review Process:

(a) At least once a year the Trustees will review the investment performance of the Investment Managers as detailed above.

(b) Long term performance should be reviewed on a rolling three year basis and the following factors should also be taken into consideration.

(i) The performance of other fund managers.

(ii) The Trustees should take note of the quality of advice and assess the suitability of the managers in terms of level of fees.

(iii) Familiarity with the investment mandate.

**Achievements and performance (continued)**

(iv) The quality of service in terms of reports and administration.

(v) The working relationship with the investment management team.

(c) Consistent under-performance over this period will trigger a review of the Investment Manager's position as adviser to the Trustees.

Remuneration:

An annual management fee of 0.4% plus vat will be levied on total funds under management. This will be charged quarterly in arrears.

**Annual Investment Commentary:**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and capital growth. The charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The combined portfolio total return was +12.4% for the year to 31 March 2024 (2023: -5.5%). This compares with total returns for the following indices:

| | Year to 31.03.24 | Year to 31.03.23 |
|---|---|---|
| BD Risk Category 6 Benchmark | + 13.4% | - 1.4% |
| FTSE British Government All Stocks Index | - 0.0% | - 16.3% |
| Iboxx £ Corporate Bond Index | + 7.4% | - 10.6% |
| FTSE All Share Index | + 8.4% | + 2.9% |
| FTSE All World Ex UK Index | + 21.4% | - 0.9% |
| IA Property Index | - 3.5% | - 8.4% |
| IA Targeted Absolute Return Index | + 6.3% | + 0.3% |

The RBC Brewin Dolphin Risk Category 6 Benchmark comprises 3.5% UK Gilts, 2.5% UK Bonds, 11% Overseas Bonds, 19% UK Equities, 49.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

2023 had started well and largely confounded forecasts with the global economy generally proving to be stronger than anticipated. The trends continued into the second quarter, essentially 2022's losers becoming 2023's winners as the technology sector bounced back from the previous year's rout. Growth and quality styles were at the forefront, although performance was mainly powered by a handful of mega-cap US tech stocks. The one topic the market became extremely excited about was artificial intelligence (AI). Overall, markets stabilised after the banking turmoil in March and the deficit in annual relative performance narrowed markedly this period as a dreadful first quarter of 2022 fell out of the calculation.

Thereafter, however, it was a struggle to make further progress and 2023 gains were pared back. July and August had already been fairly mixed and September proved to be typically weak as global markets faltered and led to the worst month for a year. Hopes for a broadening of the rally were not met and, instead, leadership changed, with energy taking over the mantle from technology companies. Easing inflation and upward surprises for growth had been supportive for most of the year but the dynamic changed and higher energy prices complicated those stories and became the latest conundrum for central banks.

The weakness continued into the final quarter of 2023 before the most tangible signs of an easing in inflation came through and convinced investors that major Western central banks were moving closer to a much awaited pivot, from raising to cutting interest rates. As the end of the year approached, a 'Santa rally' compounded gains and saw global equity markets register a rise of over 15% from late October. The S&P 500 index traded close to a record, the NASDAQ 100 had its best year since 1999, and the global bond market saw its biggest two-month gain on record.

## Achievements and performance (continued)

Markets have rallied strongly for the last 18 months and a positive quarter at the start of 2024 built on the gains from 2023. The S&P 500 reached new all-time highs and, from a technical perspective, it was encouraging to see evidence of leadership shifting from technology and growth stocks to a broader range of companies.

The US and Japan were well ahead of other regions although, for UK investors, returns from the latter have been affected throughout the year by significant weakness in the Yen. As investors switched out of value and income producing sectors the UK was a (relative) straggler and concerns over the Chinese economy saw Far East and emerging markets lag developed market returns significantly.

Since the step change in inflation data, early in November 2023, put central bank rate cuts firmly on the table relative performance has seen a noticeable boost. Whilst the pace and trajectory of easing is still uncertain, and there will always be many other forces that contribute to the to-ing and fro-ing in markets, we are confident that our approach will continue to see the benefit if global inflation continues on the current downward trend.

## Financial review

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

At 31 March 2024, the Charity had total funds of £29,975,628 (2023: £27,907,252), all of which are endowment funds. The endowment funds consist of property held to generate future income. There are no restricted funds at the financial year end as all surpluses are paid out to beneficiaries.

1. The Trustees recognise that the level of reserves and balances must be appropriate for the financial challenges that the prevailing and future environment may present

2. The Trustees also recognise that the level of reserves and balances are to be maintained at a level appropriate for the organization.

3. The Trustees will comply with the law and all statutory guidance relating to the maintenance of reserves and balances. Similarly it will refer to non-statutory guidance wherever it is available.

4. The Trustees will in certain circumstances consider the creation of reserves for specific purposes and for a defined time period. These reserves are called Earmarked Reserves and will be approved by the Trustees.

5. The level of a specific reserve, its purpose and a process to authorise release of funds will be defined at the time of its proposal.

- **Review of the financial position at the year end**

The income of the charity for the year amounts to £806,687 (2023: £698,313) and costs of £806,687 (2023: £698,313) giving a surplus of £nil (2023: £nil). Endowment funds at the year end amount to £29,975,628 (2023: £27,907,252).

- **Material investments policy**

The Freemen Trustees have transferred the responsibilities for the management of investments to a third party with the appropriate levels of capacity and expertise to undertake this role. The current investment managers were appointed following a competitive tender process.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

- **Principal funding**

The principal source of funding is derived from a combination of land/property rental income and interest received from investments.

**Structure, governance and management**

- **Constitution**

Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154, and is constituted under a Trust deed.

It is regulated by the Berwick upon Tweed Corporation (Freemen) Acts 1843 and 1926.

- **Methods of appointment or election of Trustees**

The Trustees were incorporated as a body by The Berwick-upon-Tweed Corporation (Freemen) Act 1926. The Trustees Committee comprises of five non-freemen appointed by Berwick-upon-Tweed Town Council in November each year and five Freemen (who may be either resident or non-resident in the Borough) elected by the Freemen in October or November each year.

- **Organisational structure and decision-making policies**

The Trustees serve in accordance with the governing document and hold regular meetings throughout the year.

The Trust and its property are administered and managed in accordance with the constitution by the Trustees Committee.

- **Policies adopted for the induction and training of Trustees**

A basic explanation of the roles and duties of a Trustee are provided upon appointment. This includes information and documentation relating to both the history and governance of both the Trustees and Guild of Freemen.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Plans for future periods**

The retail site at North Road and the remaining land at West Hope present the main development opportunities for the immediate future although the Trustees continue to explore the development potential of their farm premises whenever the opportunity arises and have this year entered into a medium term exclusivity agreement with a renewable energy development company in relation to an area of agricultural land in their ownership.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

## Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 4 December 2024 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

### Opinion

We have audited the financial statements of Berwick upon Tweed Corporation (Freemen) Trustees (the 'charity') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kinnair Associates Limited

**Kinnair Associates Limited**

Chartered Accountants
Registered Auditors

Aston House

Redburn Road

Westerhope

Newcastle upon Tyne

NE5 1NB

4 December 2024

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR END 31 MARCH 2024

| | Note | Endowment funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | *Total funds 2023 £* |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Investments | 3 | - | **675,003** | **675,003** | *616,236* |
| Other income | 4 | - | **131,684** | **131,684** | *82,077* |
| **Total income and endowments** | | - | **806,687** | **806,687** | *698,313* |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | - | **82,124** | **82,124** | *77,848* |
| Charitable activities | 7 | - | **724,563** | **724,563** | *620,465* |
| **Total expenditure** | | - | **806,687** | **806,687** | *698,313* |
| **Net income before net gains on investments** | | - | - | - | - |
| Net gains on investments | 13 | **2,068,376** | - | **2,068,376** | *393,814* |
| **Net movement in funds** | | **2,068,376** | - | **2,068,376** | *393,814* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **27,907,252** | - | **27,907,252** | *27,513,438* |
| Net movement in funds | | **2,068,376** | - | **2,068,376** | *393,814* |
| **Total funds carried forward** | | **29,975,628** | - | **29,975,628** | *27,907,252* |

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

The notes on pages 19 to 39 form part of these financial statements.

## BALANCE SHEET
## AS AT 31 MARCH 2024

| | Note | | 2024<br>£ | | *2023*<br>*£* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Heritage assets | 16 | | **3,770** | | *3,770* |
| Investments | 17 | | **10,305,605** | | *9,008,103* |
| Investment property | 15 | | **19,825,000** | | *19,000,000* |
| | | | **30,134,375** | | *28,011,873* |
| **Current assets** | | | | | |
| Debtors | 18 | **164,717** | | *129,918* | |
| Cash at bank and in hand | | **702,165** | | *724,834* | |
| | | **866,882** | | *854,752* | |
| Creditors: amounts falling due within one year | 19 | **(1,025,629)** | | *(959,373)* | |
| **Net current liabilities** | | | **(158,747)** | | *(104,621)* |
| **Total assets less current liabilities** | | | **29,975,628** | | *27,907,252* |
| **Total net assets** | | | **29,975,628** | | *27,907,252* |
| **Charity funds** | | | | | |
| Endowment funds | 21 | | **29,975,628** | | *27,907,252* |
| **Total funds** | | | **29,975,628** | | *27,907,252* |

The financial statements were approved and authorised for issue by the Trustees on 04 December 2024 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

The notes on pages 19 to 39 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR END 31 MARCH 2024

| | 2024<br>£ | *2023*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities | **31,457** | *153,561* |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **1,564,512** | *583,686* |
| Purchase of investments | **(1,618,638)** | *(585,150)* |
| **Net cash used in investing activities** | **(54,126)** | **(1,464)** |
| **Change in cash and cash equivalents in the year** | **(22,669)** | **152,097** |
| Cash and cash equivalents at the beginning of the year | **724,834** | *572,737* |
| **Cash and cash equivalents at the end of the year** | **702,165** | *724,834* |

The notes on pages 19 to 39 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2024

### 1. General information

The Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154. The charity is unincorporated and its registered office is Town Hall, Marygate, Berwick upon Tweed, TD15 1BN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Berwick upon Tweed Corporation (Freemen) Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 2.2 Going concern

The charitable trust has cash resources and no requirement for external funding. The trustees have reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | | |
|---|---|---|
| Intangible assets | - | 5 years straight line |

### 2.7 Heritage assets

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the Town Hall wholly written off but to capitalise any subsequent costs incurred upon work of reconstruction or fundamental repairs to the building whenever considered appropriate.

## 2. Accounting policies (continued)

### 2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are included in the balance sheet at their open market value in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" and are not depreciated.

### 2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable.

## 2. Accounting policies (continued)

### 2.14 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Investment income

| | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Rents received | 428,872 | **428,872** |
| Investment income - listed investments | 239,446 | **239,446** |
| Bank interest | 6,685 | **6,685** |
| | 675,003 | **675,003** |

| | *Restricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Rents received | *412,133* | *412,133* |
| Investment income - listed investments | *203,063* | *203,063* |
| Bank interest | *1,040* | *1,040* |
| | *616,236* | *616,236* |

## 4. Other incoming resources

| | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Other income (note 5) | 131,684 | **131,684** |

| | *Restricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Other income (note 5) | *82,077* | *82,077* |

## 5. Other income

| | 2024 | *2023* |
|---|---|---|
| | £ | £ |
| Easement income | **52,500** | - |
| Reimbursement of professional fees by buyer of land | **73,420** | - |
| Network Rail - compound site folly farm | - | *30,250* |
| Michael Guthrie - camphill steading development | - | *16,667* |
| TCD Estates | - | *19,600* |
| Other income | **5,764** | *15,560* |
| | **131,684** | *82,077* |

## 6. Investment management costs

| | Restricted funds 2024 | Total funds 2024 |
|---|---|---|
| | £ | £ |
| Investment manager | 40,817 | **40,817** |
| Land Steward | 41,307 | **41,307** |
| | 82,124 | **82,124** |

| | *Restricted funds 2023* | *Total funds 2023* |
|---|---|---|
| | *£* | *£* |
| Investment manager | *38,369* | *38,369* |
| Land Steward | *39,479* | *39,479* |
| | *77,848* | *77,848* |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Restricted funds 2024 £ | Total 2024 £ |
|---|---|---|
| Direct costs | 724,563 | **724,563** |

| | *Restricted funds 2023 £* | *Total 2023 £* |
|---|---|---|
| Direct costs | *620,465* | *620,465* |

### Summary by expenditure type

| | Staff costs 2024 £ | Other costs 2024 £ | Total 2024 £ |
|---|---|---|---|
| Direct costs - Activities | 35,251 | 689,312 | **724,563** |

| | *Staff costs 2023 £* | *Other costs 2023 £* | *Total 2023 £* |
|---|---|---|---|
| Direct costs - Activities | *35,209* | *585,256* | *620,465* |

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Direct costs | 474,806 | 249,757 | **724,563** |

## 8. Analysis of expenditure by activities (continued)

| | *Activities undertaken directly 2023 £* | *Support costs 2023 £* | *Total funds 2023 £* |
|---|---|---|---|
| Direct costs | *397,888* | *222,577* | *620,465* |

**Analysis of direct costs**

| | **Activities 2024 £** | **Total funds 2024 £** |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | 83,486 | **83,486** |
| Corporation Academy Foundation | 450 | **450** |
| Payment to Oldest Freemen | 50 | **50** |
| Stints in Lieu of Meadows | 265 | **265** |
| Payment of Surplus on Schedule III | 389,069 | **389,069** |
| Surplus on Schedule I and II | 1,486 | **1,486** |
| | 474,806 | **474,806** |

| | *Activities 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | *88,143* | *88,143* |
| Corporation Academy Foundation | *450* | *450* |
| Payment to Oldest Freemen | *50* | *50* |
| Stints in Lieu of Meadows | *265* | *265* |
| Payment of Surplus on Schedule III | *313,748* | *313,748* |
| Deficit on Schedule I and II | *(4,768)* | *(4,768)* |
| | *397,888* | *397,888* |

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

| | Activities 2024 £ | Total funds 2024 £ |
|---|---|---|
| Staff costs | 35,251 | **35,251** |
| Heating, lighting and cleaning | 23,314 | **23,314** |
| Rates | 3,553 | **3,553** |
| Insurance - Estate | 36,886 | **36,886** |
| Repairs and improvements | 14,566 | **14,566** |
| Furniture and fittings | 29 | **29** |
| Estate - repairs and maintenance | 43,359 | **43,359** |
| Insurance - Town Hall | 15,287 | **15,287** |
| Legal and professional fees | 24,116 | **24,116** |
| Service charge | 30,030 | **30,030** |
| Freemen's Committee | 6,998 | **6,998** |
| Messenger | 160 | **160** |
| Printing and stationery | 4,080 | **4,080** |
| Governance costs | 11,525 | **11,525** |
| Miscellaneous expenses | 367 | **367** |
| Miscellaneous other employee costs | 236 | **236** |
| | 249,757 | **249,757** |

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Staff costs | *35,209* | *35,209* |
| Heating, lighting and cleaning | *18,876* | *18,876* |
| Rates | *3,788* | *3,788* |
| Insurance - Estate | *33,494* | *33,494* |
| Repairs and improvements | *29,575* | *29,575* |
| Furniture and fittings | *21,032* | *21,032* |
| Estate - repairs and maintenance | *(2,553)* | *(2,553)* |
| Insurance - Town Hall | *15,161* | *15,161* |
| Legal and professional fees | *19,249* | *19,249* |
| Service charge | *29,105* | *29,105* |
| Freemen's Committee | *6,900* | *6,900* |
| Messenger | *160* | *160* |
| Printing and stationery | *1,271* | *1,271* |
| Governance costs | *10,740* | *10,740* |
| Miscellaneous expenses | *307* | *307* |
| Miscellaneous other employee costs | *263* | *263* |
| | *222,577* | *222,577* |

Governance costs included above comprise:

| | **2024 £** | *2023 £* |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | **5,485** | *5,225* |
| Preparation of financial statements | **6,040** | *5,515* |
| | **11,525** | *10,740* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2024

### 9. Auditors' remuneration

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **5,485** | *5,225* |

### 10. Staff costs

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Wages and salaries | **32,104** | *32,212* |
| Contribution to defined contribution pension schemes | **3,147** | *2,997* |
| | **35,251** | *35,209* |

The average number of persons employed by the Charity during the year was as follows:

| | 2024 | 2023 |
|---|---|---|
| | No. | No. |
| Average number of full time equivalent staff | **1** | *1* |

No employee received remuneration amounting to more than £60,000 in either year.

## 11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year, no Trustee expenses have been incurred *(2023 - £NIL)*.

## 12. Gains and losses on revaluation of investment assets

| | 2024<br>£ | *2023*<br>*£* |
|---|---|---|
| Gain/(loss) on revaluation of listed securities | **852,148** | *(699,754)* |
| Gain on revaluation of investment properties | **875,000** | *1,165,000* |
| | **1,727,148** | *465,246* |

## 13. Net gains on investments

| | 2024<br>£ | *2023*<br>*£* |
|---|---|---|
| Gain/(loss) on disposal of listed securities | **46,341** | *(72,182)* |
| Gain on disposal of investment properties | **294,887** | *750* |
| | **341,228** | *(71,432)* |

## 14. Intangible assets

| | Intangible assets £ |
|---|---|
| **Cost** | |
| At 1 April 2023 | **8,128** |
| At 31 March 2024 | **8,128** |
| **Amortisation** | |
| At 1 April 2023 | **8,128** |
| At 31 March 2024 | **8,128** |
| **Net book value** | |
| At 31 March 2024 | **-** |
| *At 31 March 2023* | *-* |

## 15. Investment property

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 April 2023 | **19,000,000** |
| Disposals | **(50,000)** |
| Surplus on revaluation | **875,000** |
| At 31 March 2024 | **19,825,000** |

The latest valuations were made in 2024 by Edwin Thompson LLP, chartered surveyors, on an open market value for existing use basis.

## 16. Heritage assets

**Assets recognised at cost**

| | Town Hall 2024 £ | Total 2024 £ |
|---|---|---|
| Carrying value at 1 April 2023 and 2024 | 3,770 | **3,770** |
| | 3,770 | **3,770** |

The above costs represent Town Hall restoration costs. The original cost of the Town Hall is not included in the balance sheet because in the opinion of the Trustees, the cost of professionally valuing the Town Hall to include a value in the financial statements outweighs the benefits to the users of the financial statements.

The Town Hall (including contents) has been valued for insurance purposes at £13,318,414.

## 17. Fixed asset investments

| | Listed investments £ | Cash held for re-investment £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2023 | **8,672,162** | **335,941** | **9,008,103** |
| Additions | **1,618,638** | **(256,939)** | **1,361,699** |
| Disposals | **(962,686)** | **-** | **(962,686)** |
| Revaluations | **898,489** | **-** | **898,489** |
| At 31 March 2024 | **10,226,603** | **79,002** | **10,305,605** |
| **Net book value** | | | |
| At 31 March 2024 | **10,226,603** | **79,002** | **10,305,605** |
| *At 31 March 2023* | *8,672,162* | *335,941* | *9,008,103* |

## 18. Debtors

| | 2024 £ | *2023 £* |
|---|---|---|
| **Due within one year** | | |
| Other debtors | **100** | *100* |
| Prepayments and accrued income | **164,617** | *129,818* |
| | **164,717** | *129,918* |

## 19. Creditors: Amounts falling due within one year

| | 2024 | *2023* |
|---|---|---|
| | £ | *£* |
| Other taxation and social security | **9,079** | *20,413* |
| Other creditors | **456,790** | *379,983* |
| Accruals and deferred income | **559,760** | *558,977* |
| | **1,025,629** | *959,373* |

Deferred income is composed of deferred rental income and compensation received to rectify drainage problems and is being carried forward to be released at the same time as future associated expenditure.

Other creditors comprise:

| | 2024 | *2023* |
|---|---|---|
| | £ | *£* |
| Berwick Town Council Schedule III Surplus | **195,405** | *157,743* |
| Freemen's Committee Schedule III Surplus | **193,664** | *156,005* |
| Retention Fund (1926 Act, sect. 27(3)) | **300** | *300* |
| Schedule I and II Lands Revenue | **67,421** | *65,935* |
| | **456,790** | *379,983* |

## 20. Financial instruments

| | 2024 | *2023* |
|---|---|---|
| | £ | *£* |
| **Financial assets** | | |
| Financial assets measured at fair value through income and expenditure | **10,305,605** | *9,008,103* |

Financial assets measured at fair value through income and expenditure comprise listed investments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2024

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 April 2023 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2024 £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | 2,930,222 | - | - | 179,872 | 3,110,094 |
| Schedule III Lands | 16,162,653 | - | - | 1,315,758 | 17,478,411 |
| Schedule IV Lands | 8,814,377 | - | - | 572,746 | 9,387,123 |
| | 27,907,252 | - | - | 2,068,376 | 29,975,628 |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | 87,639 | (87,639) | - | - |
| Schedule III Lands | - | 379,263 | (379,263) | - | - |
| Schedule IV Lands | - | 339,785 | (339,785) | - | - |
| | - | 806,687 | (806,687) | - | - |
| **Total of funds** | 27,907,252 | 806,687 | (806,687) | 2,068,376 | 29,975,628 |

## 21. Statement of funds (continued)

### Statement of funds - prior year

| | *Balance at 1 April 2022* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2023* £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | *2,791,269* | *-* | *-* | *138,953* | *2,930,222* |
| Schedule III Lands | *16,295,790* | *-* | *-* | *(133,137)* | *16,162,653* |
| Schedule IV Lands | *8,426,379* | *-* | *-* | *387,998* | *8,814,377* |
| | *27,513,438* | *-* | *-* | *393,814* | *27,907,252* |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | *-* | *86,029* | *(86,029)* | *-* | *-* |
| Schedule III Lands | *-* | *315,746* | *(315,746)* | *-* | *-* |
| Schedule IV Lands | *-* | *296,538* | *(296,538)* | *-* | *-* |
| | *-* | *698,313* | *(698,313)* | *-* | *-* |
| **Total of funds** | *27,513,438* | *698,313* | *(698,313)* | *393,814* | *27,907,252* |

## 22. Summary of funds

### Summary of funds - current year

| | **Balance at 1 April 2023** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 March 2024** £ |
|---|---|---|---|---|---|
| Endowment funds | **27,907,252** | **-** | **-** | **2,068,376** | **29,975,628** |
| Restricted funds | **-** | **806,687** | **(806,687)** | **-** | **-** |
| | **27,907,252** | **806,687** | **(806,687)** | **2,068,376** | **29,975,628** |

## 22. Summary of funds (continued)

### Summary of funds - prior year

| | *Balance at 1 April 2022* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2023* £ |
|---|---|---|---|---|---|
| Endowment funds | *27,513,438* | *-* | *-* | *393,814* | *27,907,252* |
| Restricted funds | *-* | *698,313* | *(698,313)* | *-* | *-* |
| | *27,513,438* | *698,313* | *(698,313)* | *393,814* | *27,907,252* |

## 23. Analysis of net assets between funds

### Analysis of net assets between funds - current period

| | **Endowment funds 2024** £ | **Total funds 2024** £ |
|---|---|---|
| Fixed asset investments | 10,305,605 | **10,305,605** |
| Investment property | 19,825,000 | **19,825,000** |
| Heritage assets | 3,770 | **3,770** |
| Current assets | 866,882 | **866,882** |
| Creditors due within one year | (1,025,629) | **(1,025,629)** |
| **Total** | 29,975,628 | **29,975,628** |

### Analysis of net assets between funds - prior period

| | *Endowment funds 2023* £ | *Total funds 2023* £ |
|---|---|---|
| Fixed asset investments | *9,008,103* | *9,008,103* |
| Investment property | *19,000,000* | *19,000,000* |
| Heritage assets | *3,770* | *3,770* |
| Current assets | *854,752* | *854,752* |
| Creditors due within one year | *(959,373)* | *(959,373)* |
| **Total** | *27,907,252* | *27,907,252* |

## 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2024 | *2023* |
|---|---|---|
| | £ | £ |
| Net income for the period (as per Statement of Financial Activities) | **2,068,376** | *393,814* |
| **Adjustments for:** | | |
| Gains on investments | **(2,068,376)** | *(393,814)* |
| (Increase)/decrease in debtors | **(34,799)** | *48,153* |
| Increase in creditors | **66,256** | *105,408* |
| **Net cash provided by operating activities** | **31,457** | *153,561* |

## 25. Analysis of cash and cash equivalents

| | 2024 | *2023* |
|---|---|---|
| | £ | £ |
| Cash in hand | **702,165** | *724,834* |
| **Total cash and cash equivalents** | **702,165** | *724,834* |

## 26. Analysis of changes in net debt

| | At 1 April 2023 | Cash flows | At 31 March 2024 |
|---|---|---|---|
| | £ | £ | £ |
| Cash at bank and in hand | **724,834** | **(22,669)** | **702,165** |
| | **724,834** | **(22,669)** | **702,165** |

## 27. Pension commitments

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable. The charge for the year was £3,147 (2023: £2,997). No contributions are due at the year end.

## 28. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2024.

**BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES**

England & Wales - Charity number 222154

# Accounts

Charity number: 222154

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR END 31 MARCH 2023

BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

CONTENTS


| | Page |
|---|---|
| Reference and administrative details of the Charity, its Trustees and advisers | 1 - 2 |
| Trustees' report | 3 - 10 |
| Independent auditors' report on the financial statements | 11 - 14 |
| Statement of financial activities | 15 |
| Balance sheet | 16 |
| Statement of cash flows | 17 |
| Notes to the financial statements | 18 - 38 |

## BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR END 31 MARCH 2023

| | |
|---|---|
| **Trustees** | Captain J.E. Evans<br>Councillor P. Jackson (resigned 29 September 2023)<br>Councillor R. Bruce, (appointed Chair 7 December 2022) (resigned 29 April 2023)<br>Councillor G. Brown (resigned 7 December 2022)<br>Mr D. Fairnell<br>Mr D. B. P. Herriott<br>Mr A. W. Herriott<br>Mr M. W. Herriott, Vice Chair<br>Councillor M. Greener<br>Councillor T. Stewart, Chair (appointed Chair 29 April 2023) (appointed Trustee 7 December 2022)<br>Councillor R. Mackenzie (appointed 7 December 2022)<br>Councillor L. Stephenson (appointed 26 May 2023)<br>Councillor J. Turton (appointed 29 September 2023) |
| **Charity registered number** | 222154 |
| **Principal office** | Town Hall<br>Marygate<br>Berwick upon Tweed<br>TD15 1BN |
| **Independent auditors** | Kinnair Associates Limited<br>Chartered Accountants<br>Aston House<br>Redburn Road<br>Westerhope<br>Newcastle upon Tyne<br>NE5 1NB |
| **Bankers** | Bank of Scotland<br>61 Hide Hill<br>Berwick upon Tweed<br>TD15 1EN |
| **Solicitors** | Womble Bond Dickinson<br>St. Ann's Wharf<br>112 Quayside<br>Newcastle upon Tyne<br>NE99 1SB |
| **Chartered Accountants** | Ryecroft Glenton<br>32 Portland Terrace<br>Newcastle upon Tyne<br>NE2 1QP |
| **Land Steward** | A. Hamilton<br>Edwin Thompson LLP<br>Chartered Surveyors<br>44-48 Hide Hill<br>Berwick upon Tweed<br>TD15 1AB |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

| | |
|---|---|
| **Investment Advisor** | RBC Brewin Dolphin Limited<br>Time Central<br>Gallowgate<br>Newcastle upon Tyne<br>NE1 4SR |
| **Accountant** | C. R. J. Oakley |
| **Clerk** | W. E. Henry |

## TRUSTEES' REPORT
## FOR THE YEAR END 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Objectives and activities**

- **Policies and objectives**

The Charity known as Berwick-upon-Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament - the Berwick-upon-Tweed Corporation Act 1843 and the Berwick- upon-Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

The Act of 1843 settled and established the rights of the Resident Freemen and Widows of Freemen of Berwick-upon-Tweed and set down the manner in which the income from the Estate's land holdings and investments was to be distributed; the Act of 1926 made provision for the establishment of the Trust and the vesting of the Estate in the Trustees and established the manner in which the Trust was to operate.

Subsequent arbitrations have been concerned in the construction of the Acts of 1843 and 1926 and the rights, powers and duties of the Trustees, their officers and other interested parties.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

- **Strategies for achieving objectives**

The Trustees meet monthly to conduct the business of the Charity in accordance with the provisions of the 1926 Act, and the administration of the Trust is undertaken on a day-to-day basis by their clerk (Liam Henry), their Accountant (Charles Oakley) and their Land Steward (Andrew Hamilton). The Trust's retained Legal Advisors are Womble Bond Dickinson of Newcastle-upon-Tyne; their Auditors, Kinnair & Co of Newcastle-upon-Tyne; their Chartered Accountants, Ryecroft Glenton of Newcastle-upon-Tyne; and their investment advisors and stockbrokers, Brewin Dolphin of Newcastle-upon- Tyne.

- **Activities undertaken to achieve objectives**

The bulk of the Trustees' income is derived from their agricultural Estate and investments. The agricultural land, mainly to the north of the River Tweed and amounting to over 2,250 acres, is divided into a number of holdings, the tenancies of which are governed by the Agricultural Holdings Acts. The capital value of the investments is £9.008m. The income from the Estate and investments is distributed to the Guild of Freemen and their Widows and a number of other beneficiaries in accordance with the terms of the governing acts and the arbitrations made thereunder.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

**Achievements and performance**

- **Review of activities**

**General developments**

**Retail Park Site** – further to the sale of an extensive tract of land at North Road last year the works on site had made good progress and the retail park was able to open during the course of the year with a number of significant retail tenants. The Trustees also agreed to the granting of a licence agreement to the developer for the construction of further retail buildings on land retained by the Trustees for which a major national retailer had been identified amongst others.

**West Hope Residential land** – further to agreement having been obtained with Northumberland County Council to gain full access to the site approximately three years ago completion of the matter finally took place during the year. An offer to purchase the land from a third party had been received but was declined as it was considered not to represent market value.

**Hudson Homes West Hope site** – following the decision taken last year by the Trustees to take responsibility for the drainage works on the site the works were progressed in a close working relationship with those responsible for the adjoining retail development to enable a masterplan to be developed for the wider land holding in this area of the estate.

**Estate management**

Following the acceptance of an offer to purchase Baldersbury Hill farmhouse last year, the completion of the sale has been delayed due to complications caused, in the main, by the damage occasioned to the property by Storm Arwen and the subsequent dealings with the Trustees insurers as well as conflicting VAT advice relating to the transaction. Planning permission had been obtained for the residential development of the steading with the completion of a section 106 agreement.

It had been agreed to sell a small area of land at Folly Farm to Network Rail for the purposes of an electricity sub-station. The sale had been completed but it is understood that the proposal has now been shelved by Network Rail although the Trustees have yet to receive any official confirmation of the true position. Outstanding works of repair at Folly Farm resulting from damage caused by Storm Arwen were identified and were being progressed. The Trustees had also agreed to sell a small area of land adjoining Conundrum Farmhouse as garden land to the property's owners.

The long-standing tenant at New East and Stoneymoor Riggs passed away during the year and in protection of the Trustees' interests it was agreed to bring the existing Agricultural Holdings Act tenancy and to offer a new Farm Business Tenancy to those members of the tenant's family who had been directly involved in the farming of the land in more recent years.

It was agreed to arrange for the demolition of Toddles fishing shiel next to the river Tweed and the Trustees commissioned a mural to be painted on the shiel at Clayhole in an attempt to address an issue relating to graffiti having been painted on the building.

The owners of a commercial accommodation business in Berwick had approached the Land Steward seeking to acquire some of the Trustees land adjoining their business for the purpose of an extension to their operation . The Trustees agreed that they would consider the matter should a proposal be brought forward after dialogue and discussion with the business concerned.

In an effort to consolidate their ownership of the cottages at Camphill the Trustees agreed to make an offer to purchase No 3 Camphill Farm cottage the consideration of which by the owner was still awaited at the end of the year.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

**Achievements and performance (continued)**

The Trustees became entitled during the year to a further payment of £20,000 from the ongoing development of the steading at Conundrum Farm by the original purchaser.

A request from the tenants at Brow of the Hill to extend the existing car park at the farm to accommodate employees parking was agreed.

It was agreed to split the cost of an electrical rewiring needed at No 2 Conundrum Farm Cottages with the tenant farmer.

**Town Hall**

Further to the decision taken last year, by the Trustees, to commission a further access audit, to add to the one which had been obtained a number of years previously, a report was obtained from an access consultant which made a number of recommendations regarding improvements which might be made to improve access to the building. Those recommendations were considered by the Trustees who make the decision to engage a conservation consultant to take the matters forward in an appropriate manner with all relevant authorities and stakeholders.

Following the improvement works carried out the previous year, the Trustees agreed to relet the Town House premises again as a café to two interested parties.

A decision was also taken to commission the setting up of a website for the Town Hall and a suitable provider was appointed to take this matter forward.

**Achievements and performance (continued)**

- **Investment policy and performance**

Brewin Dolphin Asset Management responsibilities:

(a) To invest in a suitable, diversified portfolio of assets in accordance with The Trustees Act 2000.

(b) To act at their discretion, but within the guidelines set down by the Trustees as detailed in 4 below. In addition, the managers are expected to implement changes in the asset mix and select individual securities within each asset class.

(c) To provide the Trustees with regular valuations, in the form of an investment report describing activity during the period, performance against agreed benchmarks, a summary of market performance and the investment outlook.

(d) To notify the Trustees of transactions on a day to day basis.

(e) No more than 5% of the portfolio should be invested in any one equity.

(f) To review regularly the long-term investment objectives of the portfolio in the light of economic and market conditions and liaise with the Trustees on any proposed changes to asset allocation.

Long Term Objectives of the Trustees:

(a) To maintain the long-term purchasing power of the capital and income against inflation.

(b) To review the long-term performance of the investment managers on a rolling three year basis.

Performance Measurement:

(a) Performance will be monitored on a regular basis and analysed in the managers' investment report.

(b) The managers will aim to at least match the performance of the major benchmark indices that relate to the respective asset groups, et FT British Government Securities Index, FTSE Actuaries All- Share Index and the FT/S&P World Index (sterling based).

(c) The performance will also be compared with the Association of Private Client Investment Managers & Stockbrokers (APCIMS) Income index and Retail Price Index.

The Review Process:

(a) At least once a year the Trustees will review the investment performance of the Investment Managers as detailed above.

(b) Long term performance should be reviewed on a rolling three year basis and the following factors should also be taken into consideration.

(i) The performance of other fund managers.

(ii) The Trustees should take note of the quality of advice and assess the suitability of the managers in terms of level of fees.

(iii) Familiarity with the investment mandate.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

**Achievements and performance (continued)**

(iv) The quality of service in terms of reports and administration.

(v) The working relationship with the investment management team.

(c) Consistent under-performance over this period will trigger a review of the Investment Manager's position as adviser to the Trustees.

Remuneration:

An annual management fee of 0.4% plus vat will be levied on total funds under management. This will be charged quarterly in arrears.

Annual Investment Commentary:

After an encouraging start to the year, stock markets fell back in February as the 'good news is bad news' narrative gained the upper hand and strong economic data pointed towards more interest rate rises. Then the quarter was interrupted by a challenging few weeks in March. Central banks have used tighter monetary policy to treat inflation, but in dealing with the illness have created side effects, and the failure of a US regional bank was enough to create some alarm in markets that still remember the 2008/09 Global Financial Crisis.

It would be tempting to describe Silicon Valley Bank (SVB) as a small regional bank, relative to the banks we normally associate with the US, but it is large compared to most regional US banks (whom most of us haven't heard of). The US has an unusual proliferation of these small regional banks. The failure of SVB, and Signature Bank soon after, marked the 562nd and 563rd failure since 2001 and, in fact, 2022 was relatively unusual for not seeing any US bank failures. A third US regional bank came into the firing line and, in order to stem the crisis, 11 US banks committed to adding deposits worth $30bn to First Republic Bank.

In Europe, concerns centred around Credit Suisse which, far from being small and regional, is classified as a global systemically important bank, and Deutsche Bank also found itself in the cross hairs. Credit Suisse was forced into the arms of UBS although it was thought that neither party was particularly keen on the marriage.

The banking turmoil has the scope to affect the future path of monetary policy, through tighter credit conditions, and there was a sharp drop in the projected path of interest rates around the world. Nevertheless, the European Central Bank (ECB) pressed ahead with a 0.5% increase in March and the US Federal Reserve raised rates by 0.25% - its ninth consecutive hike since March 2022. Perhaps the most concerning piece of economic data during the quarter was UK inflation, which unexpectedly rose by the largest amount, on a monthly basis, since April 1991. It would have seemed cavalier to not increase interest rates in the face of apparent inflationary pressure, so the Bank of England's Monetary Policy Committee (MPC) also increased rates by 0.25%.

Against this backdrop, it was perhaps surprising that equities ended as the best performing asset class in the quarter, and, as bond yields dropped back, growth and quality styles led the way. A reversal of trends over the past year saw value give back some gains and the energy sector was the largest faller. Banks are typically beneficiaries of a rising interest rate environment, but anything with a 'financial' label was also hit, and commodities fell significantly as investors looked towards a peak in inflation and interest rate rises slowing.

Banks began the year as a very popular long position for asset managers and, whilst we have not been tempted directly into an area that does not have the best long term growth prospects, there is exposure within some UK, US, and other overseas funds in the portfolio. This has been a significant factor in their relatively good performance over the past year but the banking panic has seen some stress within their holdings and the recent rotation into growth stocks has not been enough to offset this.

**Financial review**

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

At 31 March 2023, the Charity had total funds of £27,907,252 (2022: £27,513,438), all of which are endowment funds. The endowment funds consist of property held to generate future income. There are no restricted funds at the financial year end as all surpluses are paid out to beneficiaries.

1. The Trustees recognise that the level of reserves and balances must be appropriate for the financial challenges that the prevailing and future environment may present

2. The Trustees also recognise that the level of reserves and balances are to be maintained at a level appropriate for the organization.

3. The Trustees will comply with the law and all statutory guidance relating to the maintenance of reserves and balances. Similarly it will refer to non-statutory guidance wherever it is available.

4. The Trustees will in certain circumstances consider the creation of reserves for specific purposes and for a defined time period. These reserves are called Earmarked Reserves and will be approved by the Trustees.

5. The level of a specific reserve, its purpose and a process to authorise release of funds will be defined at the time of its proposal.

- **Material investments policy**

The Freemen Trustees have transferred the responsibilities for the management of investments to a third party with the appropriate levels of capacity and expertise to undertake this role. The current investment managers were appointed following a competitive tender process.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

- **Principal funding**

The principal source of funding is derived from a combination of land/property rental income and interest received from investments.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

### Structure, governance and management

- **Constitution**

Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154, and is constituted under a Trust deed.

It is regulated by the Berwick upon Tweed Corporation (Freemen) Acts 1843 and 1926.

- **Methods of appointment or election of Trustees**

The Trustees were incorporated as a body by The Berwick-upon-Tweed Corporation (Freemen) Act 1926. The Trustees Committee comprises of five non-freemen appointed by Berwick-upon-Tweed Town Council in November each year and five Freemen (who may be either resident or non-resident in the Borough) elected by the Freemen in October or November each year.

- **Organisational structure and decision-making policies**

The Trustees serve in accordance with the governing document and hold regular meetings throughout the year.

The Trust and its property are administered and managed in accordance with the constitution by the Trustees Committee.

- **Policies adopted for the induction and training of Trustees**

A basic explanation of the roles and duties of a Trustee are provided upon appointment. This includes information and documentation relating to both the history and governance of both the Trustees and Guild of Freemen.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

### Plans for future periods

The retail site at North Road and the remaining land at West Hope present the main development opportunities for the immediate future although the Trustees continue to explore the development potential of their farm premises whenever the opportunity arises and have this year entered into a medium term exclusivity agreement with a solar panel development company in relation to an area of agricultural land in their ownership.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2023

### Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 6 December 2023 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

### Opinion

We have audited the financial statements of Berwick upon Tweed Corporation (Freemen) Trustees (the 'charity') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kinnair Associates Limited

**Kinnair Associates Limited**

Chartered Accountants
Registered Auditors

Aston House

Redburn Road

Westerhope

Newcastle upon Tyne

NE5 1NB

6 December 2023

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR END 31 MARCH 2023

| | Note | Endowment funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations and legacies | 3 | - | - | - | *4,000* |
| Investments | 4 | - | **616,236** | **616,236** | *603,809* |
| Other income | 5 | - | **82,077** | **82,077** | *27,356* |
| **Total income and endowments** | | - | **698,313** | **698,313** | *635,165* |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | - | **77,848** | **77,848** | *82,392* |
| Charitable activities | 7 | - | **620,465** | **620,465** | *552,773* |
| **Total expenditure** | | - | **698,313** | **698,313** | *635,165* |
| **Net income before net gains on investments** | | - | - | - | - |
| Net gains on investments | | **393,814** | - | **393,814** | *1,404,178* |
| **Net movement in funds** | 24 | **393,814** | - | **393,814** | *1,404,178* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **27,513,438** | - | **27,513,438** | *26,109,260* |
| Net movement in funds | | **393,814** | - | **393,814** | *1,404,178* |
| **Total funds carried forward** | | **27,907,252** | - | **27,907,252** | *27,513,438* |

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

The notes on pages 18 to 38 form part of these financial statements.

## BALANCE SHEET
## AS AT 31 MARCH 2023

| | Note | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Heritage assets | 16 | | **3,770** | | *3,770* |
| Investments | 17 | | **9,008,103** | | *9,777,825* |
| Investment property | 15 | | **19,000,000** | | *17,835,000* |
| | | | **28,011,873** | | *27,616,595* |
| **Current assets** | | | | | |
| Debtors | 18 | **129,918** | | *178,071* | |
| Cash at bank and in hand | | **724,834** | | *572,737* | |
| | | **854,752** | | *750,808* | |
| Creditors: amounts falling due within one year | 19 | **(959,373)** | | *(853,965)* | |
| **Net current liabilities** | | | **(104,621)** | | *(103,157)* |
| **Total assets less current liabilities** | | | **27,907,252** | | *27,513,438* |
| **Total net assets** | | | **27,907,252** | | *27,513,438* |
| **Charity funds** | | | | | |
| Endowment funds | 21 | | **27,907,252** | | *27,513,438* |
| **Total funds** | | | **27,907,252** | | *27,513,438* |

The financial statements were approved and authorised for issue by the Trustees on 06 December 2023 and signed on their behalf by:

**Councillor T. Stewart**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

The notes on pages 18 to 38 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR END 31 MARCH 2023

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities | **153,561** | *(118,582)* |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **583,686** | *324,931* |
| Purchase of investments | **(585,150)** | *(323,558)* |
| **Net cash (used in)/provided by investing activities** | **(1,464)** | **1,373** |
| **Change in cash and cash equivalents in the year** | **152,097** | **(117,209)** |
| Cash and cash equivalents at the beginning of the year | **572,737** | *689,946* |
| **Cash and cash equivalents at the end of the year** | **724,834** | *572,737* |

The notes on pages 18 to 38 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 1. General information

The Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154. The charity is unincorporated and its registered office is Town Hall, Marygate, Berwick upon Tweed, TD15 1BN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Berwick upon Tweed Corporation (Freemen) Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### 2.2 Going concern

The charitable trust has cash resources and no requirement for external funding. The trustees have reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Government grants

Government grants are included in the Statement of Financial Activities on a receivable basis.

### 2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | | |
|---|---|---|
| Intangible assets | - | 5 years straight line |

### 2.8 Heritage assets

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the Town Hall wholly written off but to capitalise any subsequent costs incurred upon work of reconstruction or fundamental repairs to the building whenever considered appropriate.

## 2. Accounting policies (continued)

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are included in the balance sheet at their open market value in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" and are not depreciated.

### 2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable.

## 2. Accounting policies (continued)

### 2.15 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Income from donations and legacies

| | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Government grants | - | - |

| | *Restricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Government grants | *4,000* | *4,000* |

## 4. Investment income

| | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Rents received | 412,133 | **412,133** |
| Investment income - listed investments | 203,063 | **203,063** |
| Bank interest | 1,040 | **1,040** |
| | 616,236 | **616,236** |

| | *Restricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Rents received | *435,918* | *435,918* |
| Investment income - listed investments | *167,742* | *167,742* |
| Bank interest | *149* | *149* |
| | *603,809* | *603,809* |

## 5. Other incoming resources

| | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Other income | 82,077 | **82,077** |

| | *Restricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Other income | *27,356* | *27,356* |

## 6. Investment management costs

| | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Investment manager | 38,369 | **38,369** |
| Land Steward | 39,479 | **39,479** |
| | 77,848 | **77,848** |

| | *Restricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Investment manager | *45,771* | *45,771* |
| Land Steward | *36,621* | *36,621* |
| | *82,392* | *82,392* |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Restricted funds 2023 £ | Total 2023 £ |
|---|---|---|
| Direct costs | 620,465 | **620,465** |

| | *Restricted funds 2022 £* | *Total 2022 £* |
|---|---|---|
| Direct costs | *552,773* | *552,773* |

## 7. Analysis of expenditure on charitable activities (continued)

**Summary by expenditure type**

| | Staff costs 2023 £ | Other costs 2023 £ | Total 2023 £ |
|---|---|---|---|
| Direct costs - Activities | 35,209 | 585,256 | **620,465** |

| | *Staff costs 2022 £* | *Other costs 2022 £* | *Total 2022 £* |
|---|---|---|---|
| Direct costs - Activities | *31,511* | *521,262* | *552,773* |

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Direct costs | 397,888 | 222,577 | **620,465** |

| | *Activities undertaken directly 2022 £* | *Support costs 2022 £* | *Total funds 2022 £* |
|---|---|---|---|
| Direct costs | *371,516* | *181,257* | *552,773* |

8. **Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

| | Activities 2023 £ | Total funds 2023 £ |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | 88,143 | **88,143** |
| Corporation Academy Foundation | 450 | **450** |
| Payment to Oldest Freemen | 50 | **50** |
| Stints in Lieu of Meadows | 265 | **265** |
| Payment of Surplus on Schedule III | 313,748 | **313,748** |
| Surplus on Schedule I and II | (4,768) | **(4,768)** |
| | 397,888 | **397,888** |

| | *Activities 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | *74,190* | *74,190* |
| Corporation Academy Foundation | *450* | *450* |
| Payment to Oldest Freemen | *50* | *50* |
| Stints in Lieu of Meadows | *265* | *265* |
| Payment of Surplus on Schedule III | *289,613* | *289,613* |
| Surplus on Schedule I and II | *6,948* | *6,948* |
| | *371,516* | *371,516* |

8. **Analysis of expenditure by activities (continued)**

**Analysis of support costs**

| | Activities 2023 £ | Total funds 2023 £ |
|---|---|---|
| Staff costs | 35,209 | **35,209** |
| Heating, lighting and cleaning | 18,876 | **18,876** |
| Rates | 3,788 | **3,788** |
| Insurance - Estate | 33,494 | **33,494** |
| Repairs and improvements | 29,575 | **29,575** |
| Furniture and fittings | 21,032 | **21,032** |
| Estate - repairs and maintenance | (2,553) | **(2,553)** |
| Insurance - Town Hall | 15,161 | **15,161** |
| Legal and professional fees | 19,249 | **19,249** |
| Service charge | 29,105 | **29,105** |
| Freemen's Committee | 6,900 | **6,900** |
| Messenger | 160 | **160** |
| Printing and stationery | 1,271 | **1,271** |
| Governance costs | 10,740 | **10,740** |
| Miscellaneous expenses | 307 | **307** |
| Miscellaneous other employee costs | 263 | **263** |
| | 222,577 | **222,577** |

8. **Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Staff costs | *31,511* | *31,511* |
| Heating, lighting and cleaning | *15,170* | *15,170* |
| Rates | *3,574* | *3,574* |
| Insurance - Estate | *27,216* | *27,216* |
| Repairs and improvements | *10,134* | *10,134* |
| Furniture and fittings | *5,997* | *5,997* |
| Estate - repairs and maintenance | *12,714* | *12,714* |
| Insurance - Town Hall | *11,279* | *11,279* |
| Legal and professional fees | *15,186* | *15,186* |
| Service charge | *28,153* | *28,153* |
| Freemen's Committee | *6,900* | *6,900* |
| Messenger | *160* | *160* |
| Printing and stationery | *2,425* | *2,425* |
| Governance costs | *9,750* | *9,750* |
| Miscellaneous expenses | *897* | *897* |
| Miscellaneous other employee costs | *191* | *191* |
| | *181,257* | *181,257* |

Governance costs included above comprise:

| | **2023 £** | *2022 £* |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | **5,225** | *4,750* |
| Preparation of financial statements | **5,515** | *5,000* |
| | **10,740** | *9,750* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 9. Auditors' remuneration

| | 2023 £ | 2022 £ |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **5,225** | *4,750* |

### 10. Staff costs

| | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | **32,212** | *28,616* |
| Contribution to defined contribution pension schemes | **2,997** | *2,895* |
| | **35,209** | *31,511* |

The average number of persons employed by the Charity during the year was as follows:

| | 2023 No. | 2022 No. |
|---|---|---|
| Average number of full time equivalent staff | **1** | *1* |

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration paid to key management personnel during the year, including employer's pension contributions, amounted to £32,626 (2022 : £29,004).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL)*.

During the year, no Trustee expenses have been incurred *(2022 - £NIL)*.

### 12. Gains and losses on revaluation of investment assets

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| (Loss)/gain on revaluation of listed securities | **(699,754)** | *334,067* |
| Gain on revaluation of investment properties | **1,165,000** | *1,078,000* |
| | **465,246** | *1,412,067* |

### 13. Net gains on investments

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| Losses on disposal of listed securities | **(72,182)** | *(7,889)* |
| Gain on disposal of investment properties | **750** | *-* |
| | **(71,432)** | *(7,889)* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 14. Intangible assets

| | Intangible assets £ |
|---|---|
| **Cost** | |
| At 1 April 2022 | 8,128 |
| At 31 March 2023 | 8,128 |
| **Amortisation** | |
| At 1 April 2022 | 8,128 |
| At 31 March 2023 | 8,128 |
| **Net book value** | |
| At 31 March 2023 | - |
| *At 31 March 2022* | - |

## 15. Investment property

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 April 2022 | 17,835,000 |
| Surplus on revaluation | 1,165,000 |
| At 31 March 2023 | 19,000,000 |

The latest valuations were made in 2023 by Edwin Thompson LLP, chartered surveyors, on an open market value for existing use basis.

## 16. Heritage assets

**Assets recognised at cost**

| | Town Hall 2023 £ | Total 2023 £ |
|---|---|---|
| Carrying value at 1 April 2022 and 2023 | 3,770 | 3,770 |
| | 3,770 | 3,770 |

The above costs represent Town Hall restoration costs. The original cost of the Town Hall is not included in the balance sheet because in the opinion of the Trustees, the cost of professionally valuing the Town Hall to include a value in the financial statements outweighs the benefits to the users of the financial statements.

The Town Hall (including contents) has been valued for insurance purposes at £13,318,414.

## 17. Fixed asset investments

| | Listed investments £ | Cash held for re-investment £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2022 | **9,469,464** | **308,361** | **9,777,825** |
| Additions | **557,570** | **27,580** | **585,150** |
| Disposals | **(582,936)** | **-** | **(582,936)** |
| Revaluations | **(771,936)** | **-** | **(771,936)** |
| At 31 March 2023 | **8,672,162** | **335,941** | **9,008,103** |
| **Net book value** | | | |
| At 31 March 2023 | **8,672,162** | **335,941** | **9,008,103** |
| *At 31 March 2022* | *9,469,464* | *308,361* | *9,777,825* |

## 18. Debtors

| | 2023 £ | *2022 £* |
|---|---|---|
| **Due within one year** | | |
| Other debtors | **100** | *100* |
| Prepayments and accrued income | **129,818** | *177,971* |
| | **129,918** | *178,071* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 19. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|---|---|---|
| Other taxation and social security | **20,413** | *3,467* |
| Other creditors | **379,983** | *360,616* |
| Accruals and deferred income | **558,977** | *489,882* |
| | **959,373** | *853,965* |

Deferred income represents compensation received to rectify drainage problems and is being carried forward to be released at the same time as future associated expenditure.

Other creditors comprise:

| | 2023 £ | 2022 £ |
|---|---|---|
| Berwick Town Council Schedule III Surplus | **157,743** | *145,677* |
| Freemen's Committee Schedule III Surplus | **156,005** | *143,936* |
| Retention Fund (1926 Act, sect. 27(3)) | **300** | *300* |
| Schedule I and II Lands Revenue | **65,935** | *70,703* |
| | **379,983** | *360,616* |

### 20. Financial instruments

| | 2023 £ | 2022 £ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through income and expenditure | **9,008,103** | *9,777,825* |

Financial assets measured at fair value through income and expenditure comprise listed investments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | 2,791,269 | - | - | 138,953 | 2,930,222 |
| Schedule III Lands | 16,295,790 | - | - | (133,137) | 16,162,653 |
| Schedule IV Lands | 8,426,379 | - | - | 387,998 | 8,814,377 |
| | 27,513,438 | - | - | 393,814 | 27,907,252 |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | 86,029 | (86,029) | - | - |
| Schedule III Lands | - | 315,746 | (315,746) | - | - |
| Schedule IV Lands | - | 296,538 | (296,538) | - | - |
| | - | 698,313 | (698,313) | - | - |
| **Total of funds** | 27,513,438 | 698,313 | (698,313) | 393,814 | 27,907,252 |

## 21. Statement of funds (continued)

### Statement of funds - prior year

| | *Balance at 1 April 2021* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2022* £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | *2,621,273* | - | - | *169,996* | *2,791,269* |
| Schedule III Lands | *15,470,285* | - | - | *825,505* | *16,295,790* |
| Schedule IV Lands | *8,017,702* | - | - | *408,677* | *8,426,379* |
| | *26,109,260* | - | - | *1,404,178* | *27,513,438* |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | *84,322* | *(84,322)* | - | - |
| Schedule III Lands | - | *294,392* | *(294,392)* | - | - |
| Schedule IV Lands | - | *256,451* | *(256,451)* | - | - |
| | - | *635,165* | *(635,165)* | - | - |
| **Total of funds** | *26,109,260* | *635,165* | *(635,165)* | *1,404,178* | *27,513,438* |

## 22. Summary of funds

### Summary of funds - current year

| | **Balance at 1 April 2022** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 March 2023** £ |
|---|---|---|---|---|---|
| Endowment funds | **27,513,438** | - | - | **393,814** | **27,907,252** |
| Restricted funds | - | **698,313** | **(698,313)** | - | - |
| | **27,513,438** | **698,313** | **(698,313)** | **393,814** | **27,907,252** |

## 22. Summary of funds (continued)

### Summary of funds - prior year

| | *Balance at 1 April 2021* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2022* £ |
|---|---|---|---|---|---|
| Endowment funds | *26,109,260* | - | - | *1,404,178* | *27,513,438* |
| Restricted funds | - | *635,165* | *(635,165)* | - | - |
| | *26,109,260* | *635,165* | *(635,165)* | *1,404,178* | *27,513,438* |

## 23. Analysis of net assets between funds

### Analysis of net assets between funds - current year

| | **Endowment funds 2023** £ | **Total funds 2023** £ |
|---|---|---|
| Fixed asset investments | 9,008,103 | **9,008,103** |
| Investment property | 19,000,000 | **19,000,000** |
| Heritage assets | 3,770 | **3,770** |
| Current assets | 854,752 | **854,752** |
| Creditors due within one year | (959,373) | **(959,373)** |
| **Total** | 27,907,252 | **27,907,252** |

### Analysis of net assets between funds - prior year

| | *Endowment funds 2022* £ | *Total funds 2022* £ |
|---|---|---|
| Fixed asset investments | *9,777,825* | *9,777,825* |
| Investment property | *17,835,000* | *17,835,000* |
| Heritage assets | *3,770* | *3,770* |
| Current assets | *750,808* | *750,808* |
| Creditors due within one year | *(853,965)* | *(853,965)* |
| **Total** | *27,513,438* | *27,513,438* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2023

### 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | 393,814 | 1,404,178 |
| **Adjustments for:** | | |
| Gains on investments | (393,814) | (1,404,178) |
| Decrease/(increase) in debtors | 48,153 | (25,729) |
| Increase/(decrease) in creditors | 105,408 | (92,853) |
| **Net cash provided by/(used in) operating activities** | 153,561 | (118,582) |

### 25. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|---|---|---|
| Cash in hand | 724,834 | 572,737 |
| **Total cash and cash equivalents** | 724,834 | 572,737 |

### 26. Analysis of changes in net debt

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|---|---|---|---|
| Cash at bank and in hand | 572,737 | 152,097 | 724,834 |
| | 572,737 | 152,097 | 724,834 |

### 27. Pension commitments

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable. The charge for the year was £2,997 (2022: £2,895). No contributions are due at the year end.

## 28. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2023.

**BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES**

England & Wales - Charity number 222154

# Accounts

Charity number: 222154

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR END 31 MARCH 2022

BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## CONTENTS


| | Page |
|---|---|
| Reference and administrative details of the Charity, its Trustees and advisers | 1 - 2 |
| Trustees' report | 3 - 10 |
| Independent auditors' report on the financial statements | 11 - 14 |
| Statement of financial activities | 15 |
| Balance sheet | 16 |
| Statement of cash flows | 17 |
| Notes to the financial statements | 18 - 39 |

## BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR END 31 MARCH 2022

| | |
|---|---|
| **Trustees** | Captain J.E. Evans<br>Councillor P. Jackson (appointed 8 December 2021)<br>Councillor R. Bruce, Vice Chair (appointed 8 December 2021)<br>Councillor G. Brown (appointed 8 December 2021)<br>Councillor R. Driver (appointed 8 December 2021, resigned 25 March 2022)<br>Councillor A. Bowlas (resigned 25 March 2022)<br>Mr D. Fairnell<br>Mr D. B. P. Herriott<br>Mr A. W. Herriott<br>Mr M. W. Herriott, Chair<br>Mr M. Greener (appointed 29 April 2022)<br>Mrs C. Bruce (appointed 25 March 2022, resigned 30 September 2022)<br>Councillor H. Bettison (resigned 8 December 2021)<br>Councillor G. Roughead (resigned 8 December 2021)<br>Councillor A. Forbes (resigned 8 December 2021)<br>Councillor T. Forrester (resigned 8 December 2021) |
| **Charity registered number** | 222154 |
| **Principal office** | Town Hall<br>Marygate<br>Berwick upon Tweed<br>TD15 1BN |
| **Independent auditors** | Kinnair Associates Limited<br>Chartered Accountants<br>Aston House<br>Redburn Road<br>Westerhope<br>Newcastle upon Tyne<br>NE5 1NB |
| **Bankers** | Bank of Scotland<br>61 Hide Hill<br>Berwick upon Tweed<br>TD15 1EN |
| **Solicitors** | Womble Bond Dickinson<br>St. Ann's Wharf<br>112 Quayside<br>Newcastle upon Tyne<br>NE99 1SB |
| **Chartered Accountants** | Ryecroft Glenton<br>32 Portland Terrace<br>Newcastle upon Tyne<br>NE2 1QP |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
## FOR THE YEAR END 31 MARCH 2022

| | |
|---|---|
| **Land Steward** | A. Hamilton<br>Edwin Thompson LLP<br>Chartered Surveyors<br>44-48 Hide Hill<br>Berwick upon Tweed<br>TD15 1AB |
| **Investment Advisor** | RBC Brewin Dolphin Limited<br>Time Central<br>Gallowgate<br>Newcastle upon Tyne<br>NE1 4SR |
| **Accountant** | C. R. J. Oakley |
| **Clerk** | W. E. Henry |

## TRUSTEES' REPORT
## FOR THE YEAR END 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2021 to 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Objectives and activities

- **Policies and objectives**

The Charity known as Berwick-upon-Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament - the Berwick-upon-Tweed Corporation Act 1843 and the Berwick- upon-Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

The Act of 1843 settled and established the rights of the Resident Freemen and Widows of Freemen of Berwick-upon-Tweed and set down the manner in which the income from the Estate's land holdings and investments was to be distributed; the Act of 1926 made provision for the establishment of the Trust and the vesting of the Estate in the Trustees and established the manner in which the Trust was to operate.

Subsequent arbitrations have been concerned in the construction of the Acts of 1843 and 1926 and the rights, powers and duties of the Trustees, their officers and other interested parties.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

- **Strategies for achieving objectives**

The Trustees meet monthly to conduct the business of the Charity in accordance with the provisions of the 1926 Act, and the administration of the Trust is undertaken on a day-to-day basis by their clerk (Liam Henry), their Accountant (Charles Oakley) and their Land Steward (Andrew Hamilton). The Trust's retained Legal Advisors are Womble Bond Dickinson of Newcastle-upon-Tyne; their Auditors, Kinnair & Co of Newcastle-upon-Tyne; their Chartered Accountants, Ryecroft Glenton of Newcastle-upon-Tyne; and their investment advisors and stockbrokers, Brewin Dolphin of Newcastle-upon- Tyne.

- **Activities undertaken to achieve objectives**

The bulk of the Trustees' income is derived from their agricultural Estate and investments. The agricultural land, mainly to the north of the River Tweed and amounting to over 2,250 acres, is divided into a number of holdings, the tenancies of which are governed by the Agricultural Holdings Acts. The capital value of the investments is £9.778m. The income from the Estate and investments is distributed to the Guild of Freemen and their Widows and a number of other beneficiaries in accordance with the terms of the governing
Acts and the arbitrations made thereunder.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2022

### Achievements and performance

- **Review of activities**

### General developments

**Retail Park Site** – further to the sale of an extensive tract of land at North Road last year the purchaser commenced its development as a retail park following the obtaining of the necessary planning permission and the satisfaction of the various conditions which included an archaeological investigation which made no significant findings. The developer has been successful in obtaining a number of significant retail tenants. The Trustees also agreed to the granting of a licence agreement to the developer for the construction of further retail buildings on land retained by the Trustees.

**West Hope Residential land** – the issue of access to the site at West Hope was eventually resolved to the Trustees satisfaction after a period of several years following completion of an agreement with Northumberland County Council towards the end of year.

**Hudson Homes West Hope site** – agreement was reached with Hudson Homes during the year for the company to be relieved of the obligation to construct the surface water drainage on the site in turn for a significant six figure sum being paid to the Trustees reflecting the magnitude of the sum that the original purchase price for the site was reduced by on the understanding the company would be responsible for the drainage construction. The Trustees took steps to progress the necessary works in conjunction with the developer of the retail park site.

### Estate management

Baldersbury Hill – the Trustees agreed to the sale of the farmhouse and an offer was accepted at the October meeting from a Mr B Weir. Planning permission in respect of the residential development of the steading was on the point of issue at the end of the year.

Scottish Power constructed a new electrical power cable line across the Tweed from land at East Ord Farm in relative proximity to the fishing shiel.

A new five year farm business tenancy in respect of Folly Farm was granted to the existing farm tenant at the existing rent but with the Trustees future position protected.

A comprehensive insurance claim had to be made in respect of the extensive damage occasioned during Storm Arwen in November across the whole of the estate.

The Trustees agreed to a scheme of tree planting on land at East Ord as part of the celebrations in relation to Her Majesty, Queen Elizabeth's Platinum Jubilee.

An issue arose during the year in relation to the ownership of Sandstell Car Park in Spittal which the Trustees considered to be within their property portfolio but which had been registered by Northumberland County Council at Durham Land Registry a number of years ago without the Trustees knowledge. Regrettably, notwithstanding the claim that the Trustees believed they had in relation to land's ownership, and despite considerable research by both the Accountant and the Land Steward, it was not possible to establish sufficient evidence to challenge the registered position and, following extensive legal advice, it was decided not to proceed with any counterclaim at the Land Registry.

Various electrical and other remedial works in relation to Energy Performance Certificates were carried out at cottages at Camphill and Loughend.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2022

### Achievements and performance (continued)

Following the expression of interest from local football club, Tweedmouth Rangers, to lease an area of land at East Ord for the construction and operation of a football pitch the tenancy was completed during the year.

It was agreed to sell a small area of land to a Mr and Mrs Ferguson at North Road in Berwick to regularise an issue concerning encroachment in respect of the Trustees' land.

The Trustees' former tenant at Whitedamhead, Mr. Robert Middlemiss, sadly, passed away during the year. It was noted that he and his family had been associated with the Trustees, and the estate, for over 100 years.

### Town Hall

The issue of disabled access to the Town Hall was raised once again during the year, on this occasion by the Town Council, and the Trustees responded by looking to commission a further access audit, to add to the one which had been obtained a number of years previously.

It was agreed to replace the windows in the Belfry which were in a very poor state of repair for which listed building consent would be required.

The improvement works within the Town House café were progressed through the year with the replacement of the heating system and the installation of secondary glazing.

**Achievements and performance (continued)**

- **Investment policy and performance**

Brewin Dolphin Asset Management responsibilities:

(a) To invest in a suitable, diversified portfolio of assets in accordance with The Trustees Act 2000.

(b) To act at their discretion, but within the guidelines set down by the Trustees as detailed in 4 below. In addition, the managers are expected to implement changes in the asset mix and select individual securities within each asset class.

(c) To provide the Trustees with regular valuations, in the form of an investment report describing activity during the period, performance against agreed benchmarks, a summary of market performance and the investment outlook.

(d) To notify the Trustees of transactions on a day to day basis.

(e) No more than 5% of the portfolio should be invested in any one equity.

(f) To review regularly the long-term investment objectives of the portfolio in the light of economic and market conditions and liaise with the Trustees on any proposed changes to asset allocation.

Long Term Objectives of the Trustees:

(a) To maintain the long-term purchasing power of the capital and income against inflation.

(b) To review the long-term performance of the investment managers on a rolling three year basis.

Performance Measurement:

(a) Performance will be monitored on a regular basis and analysed in the managers' investment report.

(b) The managers will aim to at least match the performance of the major benchmark indices that relate to the respective asset groups, et FT British Government Securities Index, FTSE Actuaries All- Share Index and the FT/S&P World Index (sterling based).

(c) The performance will also be compared with the Association of Private Client Investment Managers & Stockbrokers (APCIMS) Income index and Retail Price Index.

The Review Process:

(a) At least once a year the Trustees will review the investment performance of the Investment Managers as detailed above.

(b) Long term performance should be reviewed on a rolling three year basis and the following factors should also be taken into consideration.

(i) The performance of other fund managers.

(ii) The Trustees should take note of the quality of advice and assess the suitability of the managers in terms of level of fees.

(iii) Familiarity with the investment mandate.

**Achievements and performance (continued)**

(iv) The quality of service in terms of reports and administration.

(v) The working relationship with the investment management team.

(c) Consistent under-performance over this period will trigger a review of the Investment Manager's position as adviser to the Trustees.

Remuneration:

An annual management fee of 0.4% plus vat will be levied on total funds under management. This will be charged quarterly in arrears.

Annual Investment Commentary:

In the context of the previous year, the period began relatively calmly and most major equity markets produced mid-to-late single digit gains while the US S&P 500 index reached a new all-time high late in the first quarter. However, any experienced investor knows that a period of benign conditions will eventually come to an end and markets moved into a more challenging environment thereafter with a litany of worries facing investors.

The first quarter of 2022 proved particularly challenging for markets as worries around the Russian invasion of Ukraine, rising interest rates, and higher levels of inflation weighed on both equities and bonds. As markets grappled with rising inflation prints, and tried to establish the likely pace and trajectory of interest rate hikes, we saw some big swings and global bonds suffered their worst drawdown on record as central banks turned more hawkish. US shares had a particularly difficult start to the New Year, with growth and technology stocks coming under pressure amid fears of a slowing economy. Markets have also been affected by concerns over China, and the knock-on effects to other regions, and an underperformance in the UK small and mid cap area but the annual return remained in positive territory.

The style rotation we have seen, as a result of the rise of inflation and interest rate expectations, saw investors switch into value and income producing sectors and, with the investments required to generate a level of income, this benefited the portfolio to some extent. However, this was to the detriment of the growth strategies that have performed so well in recent years and, with bond markets offering no safe haven as interest rate hikes were priced in, the return lagged the benchmark.

Despite this, the investments have risen 5.1% in the year.

**Financial review**

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

At 31 March 2022, the Charity had total funds of £27,513,438, all of which are endowment funds. The endowment funds consist of property held to generate future income. There are no restricted funds at the financial year end as all surpluses are paid out to beneficiaries.

1. The Trustees recognise that the level of reserves and balances must be appropriate for the financial challenges that the prevailing and future environment may present

2. The Trustees also recognise that the level of reserves and balances are to be maintained at a level appropriate for the organization.

3. The Trustees will comply with the law and all statutory guidance relating to the maintenance of reserves and balances. Similarly it will refer to non-statutory guidance wherever it is available.

4. The Trustees will in certain circumstances consider the creation of reserves for specific purposes and for a defined time period. These reserves are called Earmarked Reserves and will be approved by the Trustees.

5. The level of a specific reserve, its purpose and a process to authorise release of funds will be defined at the time of its proposal.

- **Material investments policy**

The Freemen Trustees have transferred the responsibilities for the management of investments to a third party with the appropriate levels of capacity and expertise to undertake this role. The current investment managers were appointed following a competitive tender process.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

- **Principal funding**

The principal source of funding is derived from a combination of land/property rental income and interest received from investments.

**Structure, governance and management**

- **Constitution**

Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154, and is constituted under a Trust deed.

It is regulated by the Berwick upon Tweed Corporation (Freemen) Acts 1843 and 1926.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2022

**Structure, governance and management (continued)**

- **Methods of appointment or election of Trustees**

The Trustees were incorporated as a body by The Berwick-upon-Tweed Corporation (Freemen) Act 1926. The Trustees Committee comprises of five non-freemen appointed by Berwick-upon-Tweed Town Council in November each year and five Freemen (who may be either resident or non-resident in the Borough) elected by the Freemen in October or November each year.

- **Organisational structure and decision-making policies**

The Trustees serve in accordance with the governing document and hold regular meetings throughout the year.

The Trust and its property are administered and managed in accordance with the constitution by the Trustees Committee.

- **Policies adopted for the induction and training of Trustees**

A basic explanation of the roles and duties of a Trustee are provided upon appointment. This includes information and documentation relating to both the history and governance of both the Trustees and Guild of Freemen.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Plans for future periods**

The retail site at North Road and the remaining land at West Hope present the main development opportunities for the immediate future although the Trustees continue to explore the development potential of their farm premises whenever the opportunity arises.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR END 31 MARCH 2022

### Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

The auditors, Kinnair & Co, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 7 December 2022 and signed on their behalf by:

**Mr M. W. Herriott**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

### Opinion

We have audited the financial statements of Berwick upon Tweed Corporation (Freemen) Trustees (the 'charity') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kinnair Associates Ltd

**Kinnair Associates Limited**

Chartered Accountants
Registered Auditors

Aston House

Redburn Road

Westerhope

Newcastle upon Tyne

NE5 1NB

7 December 2022

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR END 31 MARCH 2022

| | Note | Endowment funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | *Total funds 2021 £* |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations and legacies | 3 | - | 4,000 | 4,000 | *29,524* |
| Other trading activities | 4 | - | - | - | *31,347* |
| Investments | 5 | - | 603,809 | 603,809 | *568,111* |
| Other income | 6 | - | 27,356 | 27,356 | *20,792* |
| **Total income and endowments** | | - | 635,165 | 635,165 | *649,774* |
| **Expenditure on:** | | | | | |
| Raising funds | 7,8 | - | 82,392 | 82,392 | *94,151* |
| Charitable activities | 9 | - | 552,773 | 552,773 | *555,623* |
| **Total expenditure** | | - | 635,165 | 635,165 | *649,774* |
| **Net income before net gains on investments** | | - | - | - | - |
| Net gains on investments | | 1,404,178 | - | 1,404,178 | *2,205,972* |
| **Net movement in funds** | 26 | 1,404,178 | - | 1,404,178 | *2,205,972* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 26,109,260 | - | 26,109,260 | *23,903,288* |
| Net movement in funds | | 1,404,178 | - | 1,404,178 | *2,205,972* |
| **Total funds carried forward** | | 27,513,438 | - | 27,513,438 | *26,109,260* |

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

The notes on pages 18 to 39 form part of these financial statements.

## BALANCE SHEET
## AS AT 31 MARCH 2022

| | Note | | 2022<br>£ | | *2021*<br>*£* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Heritage assets | 18 | | **3,770** | | *3,770* |
| Investments | 19 | | **9,777,825** | | *9,453,020* |
| Investment property | 17 | | **17,835,000** | | *16,757,000* |
| | | | **27,616,595** | | *26,213,790* |
| **Current assets** | | | | | |
| Debtors | 20 | **178,071** | | *152,342* | |
| Cash at bank and in hand | | **572,737** | | *689,946* | |
| | | **750,808** | | *842,288* | |
| Creditors: amounts falling due within one year | 21 | **(853,965)** | | *(946,818)* | |
| **Net current liabilities** | | | **(103,157)** | | *(104,530)* |
| **Total assets less current liabilities** | | | **27,513,438** | | *26,109,260* |
| **Total net assets** | | | **27,513,438** | | *26,109,260* |
| **Charity funds** | | | | | |
| Endowment funds | 23 | | **27,513,438** | | *26,109,260* |
| **Total funds** | | | **27,513,438** | | *26,109,260* |

The financial statements were approved and authorised for issue by the Trustees on 07 December 2022 and signed on their behalf by:

**Mr M. W. Herriott**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

The notes on pages 18 to 39 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR END 31 MARCH 2022

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities | **(118,582)** | *455,487* |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **324,931** | *3,010,415* |
| Purchase of investments | **(323,558)** | *(3,040,422)* |
| **Net cash provided by/(used in) investing activities** | **1,373** | **(30,007)** |
| **Change in cash and cash equivalents in the year** | **(117,209)** | **425,480** |
| Cash and cash equivalents at the beginning of the year | **689,946** | *264,466* |
| **Cash and cash equivalents at the end of the year** | **572,737** | *689,946* |

The notes on pages 18 to 39 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 31 MARCH 2022

### 1. General information

The Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154. The charity is unincorporated and its registered office is Town Hall, Marygate, Berwick upon Tweed, TD15 1BN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Berwick upon Tweed Corporation (Freemen) Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### 2.2 Going concern

The charitable trust has cash resources and no requirement for external funding. The trustees have reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Government grants

Government grants are included in the Statement of Financial Activities on a receivable basis.

### 2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

| | | |
|---|---|---|
| Intangible assets | - | 5 years straight line |

### 2.8 Heritage assets

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the Town Hall wholly written off but to capitalise any subsequent costs incurred upon work of reconstruction or fundamental repairs to the building whenever considered appropriate.

## 2. Accounting policies (continued)

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are included in the balance sheet at their open market value in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" and are not depreciated.

### 2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable.

## 2. Accounting policies (continued)

### 2.15 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Income from donations and legacies

| | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Government grants | 4,000 | **4,000** |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Government grants | *29,524* | *29,524* |

## 4. Income from other trading activities

### Income from non charitable trading activities

| | Total funds 2022 £ |
|---|---|
| Farm trading activities | - |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Farm trading activities | *31,347* | *31,347* |

## 5. Investment income

| | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Rents received | 435,918 | **435,918** |
| Investment income - listed investments | 167,742 | **167,742** |
| Bank interest | 149 | **149** |
| | 603,809 | **603,809** |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Rents received | *436,255* | *436,255* |
| Investment income - listed investments | *131,832* | *131,832* |
| Bank interest | *24* | *24* |
| | *568,111* | *568,111* |

## 6. Other incoming resources

| | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Other income | 27,356 | **27,356** |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Other income | *20,792* | *20,792* |

## 7. Expenditure on raising funds

### Other trading expenses

| | Total funds 2022 £ |
|---|---|
| Farm trading costs | - |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Farm trading costs | *21,043* | *21,043* |

## 8. Investment management costs

| | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Investment manager | 45,771 | **45,771** |
| Land Steward | 36,621 | **36,621** |
| | 82,392 | **82,392** |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Investment manager | *35,542* | *35,542* |
| Land Steward | *37,566* | *37,566* |
| | *73,108* | *73,108* |

## 9. Analysis of expenditure on charitable activities

### Summary by fund type

| | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Direct costs | 552,773 | **552,773** |

| | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Direct costs | *555,623* | *555,623* |

## 9. Analysis of expenditure on charitable activities (continued)

### Summary by expenditure type

| | Staff costs 2022 £ | Other costs 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Direct costs - Activities | 31,511 | 521,262 | **552,773** |

| | *Staff costs 2021 £* | *Other costs 2021 £* | *Total funds 2021 £* |
|---|---|---|---|
| Direct costs - Activities | *31,307* | *524,316* | *555,623* |

## 10. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Direct costs | 371,516 | 181,257 | **552,773** |

| | *Activities undertaken directly 2021 £* | *Support costs 2021 £* | *Total funds 2021 £* |
|---|---|---|---|
| Direct costs | *379,108* | *176,515* | *555,623* |

## 10. Analysis of expenditure by activities (continued)

### Analysis of direct costs

| | Activities 2022 £ | Total funds 2022 £ |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | 74,190 | **74,190** |
| Corporation Academy Foundation | 450 | **450** |
| Payment to Oldest Freemen | 50 | **50** |
| Stints in Lieu of Meadows | 265 | **265** |
| Payment of Surplus on Schedule III | 289,613 | **289,613** |
| Surplus on Schedule I and II | 6,948 | **6,948** |
| | 371,516 | **371,516** |

| | *Activities 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | *85,337* | *85,337* |
| Corporation Academy Foundation | *450* | *450* |
| Payment to Oldest Freemen | *50* | *50* |
| Stints in Lieu of Meadows | *265* | *265* |
| Payment of Surplus on Schedule III | *298,781* | *298,781* |
| Surplus on Schedule I and II | *(5,775)* | *(5,775)* |
| | *379,108* | *379,108* |

## 10. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Activities 2022 £ | Total funds 2022 £ |
|---|---|---|
| Staff costs | 31,511 | **31,511** |
| Heating, lighting and cleaning | 15,170 | **15,170** |
| Rates | 3,574 | **3,574** |
| Insurance - Estate | 27,216 | **27,216** |
| Repairs and improvements | 10,134 | **10,134** |
| Furniture and fittings | 5,997 | **5,997** |
| Estate - repairs and maintenance | 12,714 | **12,714** |
| Insurance - Town Hall | 11,279 | **11,279** |
| Legal and professional fees | 15,186 | **15,186** |
| Service charge | 28,153 | **28,153** |
| Freemen's Committee | 6,900 | **6,900** |
| Messenger | 160 | **160** |
| Printing and stationery | 2,425 | **2,425** |
| Governance costs | 9,750 | **9,750** |
| Miscellaneous expenses | 897 | **897** |
| Miscellaneous other employee costs | 191 | **191** |
| | 181,257 | **181,257** |

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Staff costs | *31,307* | *31,307* |
| Heating, lighting and cleaning | *13,013* | *13,013* |
| Rates | *3,572* | *3,572* |
| Insurance - Estate | *26,464* | *26,464* |
| Repairs and improvements | *6,621* | *6,621* |
| Furniture and fittings | *1,003* | *1,003* |
| Estate - repairs and maintenance | *5,429* | *5,429* |
| Insurance - Town Hall | *10,907* | *10,907* |
| Legal and professional fees | *33,830* | *33,830* |
| Service charge | *27,672* | *27,672* |
| Freemen's Committee | *6,819* | *6,819* |
| Messenger | *160* | *160* |
| Printing and stationery | *1,437* | *1,437* |
| Governance costs | *10,150* | *10,150* |
| Irrecoverable VAT | *(2,015)* | *(2,015)* |
| Miscellaneous other employee costs | *146* | *146* |
| | *176,515* | *176,515* |

Governance costs included above comprise:

| | **2022 £** | *2021 £* |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | **4,750** | *6,860* |
| Preparation of financial statements | **5,000** | *3,290* |
| | **9,750** | *10,150* |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR END 31 MARCH 2022

## 11. Auditors' remuneration

| | 2022 £ | 2021 £ |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **4,750** | *6,860* |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **-** | *3,290* |

## 12. Staff costs

| | 2022 £ | 2021 £ |
|---|---|---|
| Wages and salaries | **28,616** | *28,506* |
| Contribution to defined contribution pension schemes | **2,895** | *2,801* |
| | **31,511** | *31,307* |

The average number of persons employed by the Charity during the year was as follows:

| | 2022 No. | 2021 No. |
|---|---|---|
| Average number of full time equivalent staff | **1** | *1* |

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration paid to key management personnel during the year, including employer's pension contributions, amounted to £29,004 (2021 : £31,307).

## 13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 March 2022, no Trustee expenses have been incurred *(2021 - £48)*.

## 14. Gains and losses on revaluation of investment assets

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| Gain on revaluation of listed securities | **334,067** | *1,454,989* |
| Gain on revaluation of investment properties | **1,078,000** | *768,308* |
| | **1,412,067** | *2,223,297* |

## 15. Net gains on investments

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| Losses on disposal of listed securities | **(7,889)** | *(17,325)* |
| | **(7,889)** | *(17,325)* |

## 16. Intangible assets

| | Intangible assets £ |
|---|---|
| **Cost** | |
| At 1 April 2021 | **8,128** |
| At 31 March 2022 | **8,128** |
| **Amortisation** | |
| At 1 April 2021 | **8,128** |
| At 31 March 2022 | **8,128** |
| **Net book value** | |
| At 31 March 2022 | **-** |
| *At 31 March 2021* | **-** |

## 17. Investment property

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 April 2021 | **16,757,000** |
| Surplus on revaluation | **1,078,000** |
| At 31 March 2022 | **17,835,000** |

The latest valuations were made in 2022 by Edwin Thompson LLP, chartered surveyors, on an open market value for existing use basis.

## 18. Heritage assets

**Assets recognised at cost**

| | Town Hall 2022 £ | Total 2022 £ |
|---|---|---|
| Carrying value at 1 April 2021 and 2022 | 3,770 | **3,770** |
| | 3,770 | **3,770** |

The above costs represent Town Hall restoration costs. The original cost of the Town Hall is not included in the balance sheet because in the opinion of the Trustees, the cost of professionally valuing the Town Hall to include a value in the financial statements outweighs the benefits to the users of the financial statements.

The Town Hall (including contents) has been valued for insurance purposes at £12,579,623.

## 19. Fixed asset investments

| | Listed investments £ | Cash held for re-investment £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2021 | **7,786,530** | **1,666,490** | **9,453,020** |
| Additions | **1,502,607** | **(1,358,129)** | **144,478** |
| Disposals | **(145,851)** | **-** | **(145,851)** |
| Revaluations | **326,178** | **-** | **326,178** |
| At 31 March 2022 | **9,469,464** | **308,361** | **9,777,825** |
| **Net book value** | | | |
| At 31 March 2022 | **9,469,464** | **308,361** | **9,777,825** |
| *At 31 March 2021* | *7,786,530* | *1,666,490* | *9,453,020* |

## 20. Debtors

| | 2022 £ | *2021 £* |
|---|---|---|
| **Due within one year** | | |
| Other debtors | **100** | *100* |
| Prepayments and accrued income | **177,971** | *152,242* |
| | **178,071** | *152,342* |

## 21. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|---|---|---|
| Other taxation and social security | **3,467** | *525,298* |
| Other creditors | **360,616** | *362,836* |
| Accruals and deferred income | **489,882** | *58,684* |
| | **853,965** | *946,818* |

Deferred income represents compensation received to rectify drainage problems and is being carried forward to be released at the same time as future associated expenditure.

Other creditors comprise:

| | 2022 £ | 2021 £ |
|---|---|---|
| Berwick Town Council Schedule III Surplus | **145,677** | *150,261* |
| Freemen's Committee Schedule III Surplus | **143,936** | *148,520* |
| Retention Fund (1926 Act, sect. 27(3)) | **300** | *300* |
| Schedule I and II Lands Revenue | **70,703** | *63,755* |
| | **360,616** | *362,836* |

## 22. Financial instruments

| | 2022 £ | 2021 £ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through income and expenditure | **9,777,825** | *9,453,020* |

Financial assets measured at fair value through income and expenditure comprise listed investments.

## 23. Statement of funds

### Statement of funds - current year

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2022 £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | 2,621,273 | - | - | 169,996 | 2,791,269 |
| Schedule III Lands | 15,470,285 | - | - | 825,505 | 16,295,790 |
| Schedule IV Lands | 8,017,702 | - | - | 408,677 | 8,426,379 |
| | 26,109,260 | - | - | 1,404,178 | 27,513,438 |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | 84,322 | (84,322) | - | - |
| Schedule III Lands | - | 294,392 | (294,392) | - | - |
| Schedule IV Lands | - | 256,451 | (256,451) | - | - |
| | - | 635,165 | (635,165) | - | - |
| **Total of funds** | 26,109,260 | 635,165 | (635,165) | 1,404,178 | 27,513,438 |

## 23. Statement of funds (continued)

### Statement of funds - prior year

| | *Balance at 1 April 2020* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2021* £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | *2,482,723* | - | - | *138,550* | *2,621,273* |
| Schedule III Lands | *13,752,262* | - | - | *1,718,023* | *15,470,285* |
| Schedule IV Lands | *7,668,303* | - | - | *349,399* | *8,017,702* |
| | *23,903,288* | - | - | *2,205,972* | *26,109,260* |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | *82,491* | *(82,491)* | - | - |
| Schedule III Lands | - | *271,455* | *(271,455)* | - | - |
| Schedule IV Lands | - | *295,828* | *(295,828)* | - | - |
| | - | *649,774* | *(649,774)* | - | - |
| **Total of funds** | *23,903,288* | *649,774* | *(649,774)* | *2,205,972* | *26,109,260* |

## 24. Summary of funds

### Summary of funds - current year

| | **Balance at 1 April 2021** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 March 2022** £ |
|---|---|---|---|---|---|
| Endowment funds | **26,109,260** | **-** | **-** | **1,404,178** | **27,513,438** |
| Restricted funds | **-** | **635,165** | **(635,165)** | **-** | **-** |
| | **26,109,260** | **635,165** | **(635,165)** | **1,404,178** | **27,513,438** |

## 24. Summary of funds (continued)

### Summary of funds - prior year

| | *Balance at 1 April 2020* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2021* £ |
|---|---|---|---|---|---|
| Endowment funds | *23,903,288* | - | - | *2,205,972* | *26,109,260* |
| Restricted funds | - | *649,774* | *(649,774)* | - | - |
| | *23,903,288* | *649,774* | *(649,774)* | *2,205,972* | *26,109,260* |

## 25. Analysis of net assets between funds

### Analysis of net assets between funds - current year

| | **Endowment funds 2022** £ | **Total funds 2022** £ |
|---|---|---|
| Fixed asset investments | 9,777,825 | **9,777,825** |
| Investment property | 17,835,000 | **17,835,000** |
| Heritage assets | 3,770 | **3,770** |
| Current assets | 750,808 | **750,808** |
| Creditors due within one year | (853,965) | **(853,965)** |
| **Total** | 27,513,438 | **27,513,438** |

### Analysis of net assets between funds - prior year

| | *Endowment funds 2021* £ | *Total funds 2021* £ |
|---|---|---|
| Fixed asset investments | *9,453,020* | *9,453,020* |
| Investment property | *16,757,000* | *16,757,000* |
| Heritage assets | *3,770* | *3,770* |
| Current assets | *842,288* | *842,288* |
| Creditors due within one year | *(946,818)* | *(946,818)* |
| **Total** | *26,109,260* | *26,109,260* |

## 26. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | **1,404,178** | *2,205,972* |
| **Adjustments for:** | | |
| Gains on investments | **(1,404,178)** | *(2,205,972)* |
| Decrease/(increase) in debtors | **(25,729)** | *8,319* |
| Increase/(decrease) in creditors | **(92,853)** | *447,168* |
| **Net cash provided by/(used in) operating activities** | **(118,582)** | *455,487* |

## 27. Analysis of cash and cash equivalents

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| Cash in hand | **572,737** | *689,946* |
| **Total cash and cash equivalents** | **572,737** | *689,946* |

## 28. Analysis of changes in net debt

| | At 1 April 2021<br>£ | Cash flows<br>£ | At 31 March 2022<br>£ |
|---|---|---|---|
| Cash at bank and in hand | **689,946** | **(117,209)** | **572,737** |
| | **689,946** | **(117,209)** | **572,737** |

## 29. Pension commitments

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable. The charge for the year was £2,895 (2021: £2,801). No contributions are due at the year end.

## 30. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2022.

**BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES**

England & Wales - Charity number 222154

# Accounts

Charity number: 222154

# BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

## BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

## CONTENTS


| | Page |
|---|---|
| Reference and Administrative Details of the Charity, its Trustees and Advisers | 1 - 2 |
| Trustees' Report | 3 - 9 |
| Independent Auditors' Report on the Financial Statements | 10 - 13 |
| Statement of Financial Activities | 14 |
| Balance Sheet | 15 |
| Statement of Cash Flows | 16 |
| Notes to the Financial Statements | 17 - 35 |

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

**Trustees**

Councillor H. Bettison, Chair
Mr M. W. Herriott, Vice Chair
Councillor A Bowlas
Councillor I. Dixon (deceased 24 April 2020)
Captain J.E. Evans
Mr D. Fairnell
Councillor A. Forbes
Councillor T Forrester (appointed 26 June 2020)
Mr A. W. Herriott
Mr D. B. P. Herriott
Councillor G. Roughead

**Charity registered number**

222154

**Principal office**

Town Hall
Marygate
Berwick upon Tweed
TD15 1BN

**Independent auditors**

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

**Bankers**

Bank of Scotland
61 Hide Hill
Berwick upon Tweed
TD15 1EN

**Solicitors**

Womble Bond Dickinson
St. Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

**Land Steward**

A. Hamilton
Edwin Thompson LLP
Chartered Surveyors
44-48 Hide Hill
Berwick upon Tweed
TD15 1AB

**Investment Advisor**

Brewin Dolphin Limited
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

**Accountant**

C. R. J. Oakley

**Clerk**

W. E. Henry

## TRUSTEES' REPORT
## FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the charity for the year from 1 April 2020 to 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Objectives and activities**

- **Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Charity known as Berwick-upon-Tweed Corporation (Freemen) Trust is a body corporate governed by two local Acts of Parliament - the Berwick-upon-Tweed Corporation Act 1843 and the Berwick- upon-Tweed Corporation (Freemen) Act 1926; and is subject to the terms of a Scheme registered with the Charity Commission on the 4th December 1931.

The Act of 1843 settled and established the rights of the Resident Freemen and Widows of Freemen of Berwick-upon-Tweed and set down the manner in which the income from the Estate's land holdings and investments was to be distributed; the Act of 1926 made provision for the establishment of the Trust and the vesting of the Estate in the Trustees and established the manner in which the Trust was to operate.

Subsequent arbitrations have been concerned in the construction of the Acts of 1843 and 1926 and the rights, powers and duties of the Trustees, their officers and other interested parties.

- **Strategies for achieving objectives**

The Trustees meet monthly to conduct the business of the Charity in accordance with the provisions of the1926 Act, and the administration of the Trust is undertaken on a day-to-day basis by their clerk (Liam Henry), their Accountant (Charles Oakley) and their Land Steward (Andrew Hamilton). The Trust's retained Legal Advisors are Womble Bond Dickinson of Newcastle-upon-Tyne; their Auditors, Ryecroft Glenton of Newcastle-upon-Tyne; and their investment advisors and stockbrokers, Brewin Dolphin of Newcastle-upon- Tyne.

- **Activities undertaken to achieve objectives**

The bulk of the Trustees' income is derived from their agricultural Estate and investments. The agricultural land, mainly to the north of the River Tweed and amounting to over 2,250 acres, is divided into a number of holdings, the tenancies of which are governed by the Agricultural Holdings Acts. The capital value of the investments is £9.453m. The income from the Estate and investments is distributed to the Guild of Freemen and their Widows and a number of other beneficiaries in accordance with the terms of the governing Acts and the arbitrations made thereunder.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

**Achievements and performance**

- **Review of activities**

**General developments**

**Retail Park Site** – further to the previous acceptance an offer for the purchase of an extensive tract of land at North Road the sale of the land finally completed towards the end of the year and the purchaser had also expressed an interest purchasing further land from the Trustees in the near future.

**West Hope Residential land** – notwithstanding the fact that further agreement had been reached with the County Council in relation to the issue of access to the site at West Hope the completion of that agreement was still in the process of being finalised.

**Hudson Homes West Hope site** – progress with the construction of the surface water drainage on the site continues to be slow and while the position with the Crown Estates has been resolved the developer is currently having protracted negotiations with an adjoining land owner with regards to the easement which will be required in order to complete the laying of the drainage pipe. It can only be hoped that all outstanding matters can soon be resolved to allow works to commence as soon as possible.

**Estate management**

Baldersbury Hill – the Trustees agreed to explore the possibility of obtaining planning permission for the residential development of the steading at Baldersbury Hill and an application was submitted to the local planning authority.

Folly Farm – the sale of a small parcel of land at Folly Farm to Network Rail for the purposes of an electricity substation was agreed, the land in question being removed from the relevant farm business tenancy which itself would have to be renewed next year.

Roofing and gutter works were carried out at buildings at Loughend/Conundrum as well as drainage works on the farm house septic tank. The cost of the roofing works proved to be more expensive than anticipated due to a lower level of slate retention than originally envisaged.

A farm business tenancy and grazing licence in respect of the new landholding at East Ord was agreed with the Mr Gray. Works had to be carried out to the fishing shiel within the landholding to secure the building from unauthorised entry and pre planning advice was sought from Northumberland County Council regarding the potential for the shiel's development. A structural survey for the building was also commissioned towards the end of the year.

An expression of interest was received from local football club, Tweedmouth Rangers, to lease an area of land at East Ord for the construction and operation of a football pitch and the land concerned was removed from the demise to Mr Gray in anticipation that agreement could be reached with the Club.

The renewal of the tenancy for the Arqiva transmitter at Camphill was completed during the year with the rent received under the terms of the new tenancy being much reduced because of the protections afforded to telecommunication companies under the Digital Economy Act.

**Achievements and performance (continued)**

**Town Hall**

Following previous pigeon prevention works at the Town Hall further works were carried out during the year with planning permission being obtained for the installation of more spikes on the north elevation of the building and in the Buttermarket.

The works relating to the upgrading of the alarm system at the building were completed during the year and the building's asbestos report was updated following further investigatory work.

The Trustees agreed to a new regular cleaning regime for the steps at the front of the building to ensure that the building's presentation in the centre of the town was maintained to a good standard.

Following agreement being reached with a new operator of the Town House café the Trustees agreed to carry out certain improvement works at the premises with the replacement of the heating system and the installation of secondary glazing for which listed building consent was obtained.

- **Investment policy and performance**

**Brewin Dolphin Asset Management responsibilities:**

(a) To invest in a suitable, diversified portfolio of assets in accordance with The Trustees Act 2000.

(b) To act at their discretion, but within the guidelines set down by the Trustees as detailed in 4 below. In addition, the managers are expected to implement changes in the asset mix and select individual securities within each asset class.

(c) To provide the Trustees with regular valuations, in the form of an investment report describing activity during the period, performance against agreed benchmarks, a summary of market performance and the investment outlook.

(d) To notify the Trustees of transactions on a day to day basis.

(e) No more than 5% of the portfolio should be invested in any one equity.

(f) To review regularly the long-term investment objectives of the portfolio in the light of economic and market conditions and liaise with the Trustees on any proposed changes to asset allocation.

**Long Term Objectives of the Trustees:**

(a) To maintain the long-term purchasing power of the capital and income against inflation.

(b) To review the long-term performance of the investment managers on a rolling three year basis.

**Performance Measurement:**

(a) Performance will be monitored on a regular basis and analysed in the managers' investment report.

(b) The managers will aim to at least match the performance of the major benchmark indices that relate to the respective asset groups, et FT British Government Securities Index, FTSE Actuaries All- Share Index and the FT/S&P World Index (sterling based).

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

**Achievements and performance (continued)**

(c) The performance will also be compared with the Association of Private Client Investment Managers & Stockbrokers (APCIMS) Income index and Retail Price Index.

**The Review Process:**

(a) At least once a year the Trustees will review the investment performance of the Investment Managers as detailed above.

(b) Long term performance should be reviewed on a rolling three year basis and the following factors should also be taken into consideration.

(i) The performance of other fund managers.

(ii) The Trustees should take note of the quality of advice and assess the suitability of the managers in terms of level of fees.

(iii) Familiarity with the investment mandate.

(iv) The quality of service in terms of reports and administration.

(v) The working relationship with the investment management team.

(c) Consistent under-performance over this period will trigger a review of the Investment Manager's position as adviser to the Trustees.

**Remuneration:**

An annual management fee of 0.4% plus vat will be levied on total funds under management. This will be charged quarterly in arrears.

**Financial review**

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

- **Reserves policy**

1. The Trustees recognise that the level of reserves and balances must be appropriate for the financial challenges that the prevailing and future environment may present

2. The Trustees also recognise that the level of reserves and balances are to be maintained at a level appropriate for the organization.

3. The Trustees will comply with the law and all statutory guidance relating to the maintenance of reserves and balances. Similarly it will refer to non-statutory guidance wherever it is available.

4. The Trustees will in certain circumstances consider the creation of reserves for specific purposes and for a defined time period. These reserves are called Earmarked Reserves and will be approved by the Trustees.

5. The level of a specific reserve, its purpose and a process to authorise release of funds will be defined at the time of its proposal.

- **Material investments policy**

The Freemen Trustees have transferred the responsibilities for the management of investments to a third party with the appropriate levels of capacity and expertise to undertake this role. The current investment managers were appointed following a competitive tender process.

- **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

- **Principal funding**

The principal source of funding is derived from a combination of land/property rental income and interest received from investments.

**Structure, governance and management**

- **Constitution**

Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154, and is constituted under a Trust deed.

It is regulated by the Berwick upon Tweed Corporation (Freemen) Acts 1843 and 1926.

- **Methods of appointment or election of Trustees**

The Trustees were incorporated as a body by The Berwick-upon-Tweed Corporation (Freemen) Act 1926. The Trustees Committee comprises of five non-freemen appointed by Berwick-upon-Tweed Town Council in November each year and five Freemen (who may be either resident or non-resident in the Borough) elected by the Freemen in October or November each year.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

**Structure, governance and management (continued)**

- **Organisational structure and decision-making policies**

The Trustees serve in accordance with the governing document and hold regular meetings throughout the year.

The Trust and its property are administered and managed in accordance with the constitution by the Trustees Committee.

- **Policies adopted for the induction and training of Trustees**

A basic explanation of the roles and duties of a Trustee are provided upon appointment. This includes information and documentation relating to both the history and governance of both the Trustees and Guild of Freemen.

**Plans for future periods**

The retail site at North Road and the remaining land at West Hope present the main development opportunities for the immediate future although the Trustees continue to explore the development potential of the steadings at Baldesbury Hill and West Edge with a planning application having been submitted to the local planning authority submitted in relation to the steading at Baldersbury Hill.

**Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2021

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

The auditors, Ryecroft Glenton, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 8 December 2021 and signed on their behalf by:

**Councillor H. Bettison**
(Chair of Trustees)

**C.R.J. Oakley**
(Accountant to the Trustees)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES

### Opinion

We have audited the financial statements of Berwick upon Tweed Corporation (Freemen) Trustees (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

### Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERWICK UPON TWEED CORPORATION (FREEMEN) TRUSTEES (CONTINUED)

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

**Ryecroft Glenton**

Chartered Accountants
Registered Auditors

32 Portland Terrace

Newcastle upon Tyne

NE2 1QP

8 December 2021

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Endowment funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | *Total funds 2020 £* |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations and legacies | 3 | - | **29,524** | **29,524** | - |
| Other trading activities | 4 | - | **31,347** | **31,347** | - |
| Investments | 5 | - | **568,111** | **568,111** | *657,334* |
| Other income | 6 | - | **20,792** | **20,792** | *50,728* |
| **Total income and endowments** | | - | **649,774** | **649,774** | *708,062* |
| **Expenditure on:** | | | | | |
| Raising funds | 7,8 | - | **94,151** | **94,151** | *82,906* |
| Charitable activities | 9 | - | **555,623** | **555,623** | *625,156* |
| **Total expenditure** | | - | **649,774** | **649,774** | *708,062* |
| **Net income before net gains/(losses) on investments** | | - | - | - | - |
| Net gains/(losses) on investments | | **2,205,972** | - | **2,205,972** | *(601,079)* |
| **Net movement in funds** | | **2,205,972** | - | **2,205,972** | *(601,079)* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **23,903,288** | - | **23,903,288** | *24,504,367* |
| Net movement in funds | | **2,205,972** | - | **2,205,972** | *(601,079)* |
| **Total funds carried forward** | | **26,109,260** | - | **26,109,260** | *23,903,288* |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 35 form part of these financial statements.

## BALANCE SHEET
## AS AT 31 MARCH 2021

| | Note | | 2021 £ | | 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Heritage assets | 17 | | **3,770** | | *3,770* |
| Investments | 18 | | **9,453,020** | | *5,822,541* |
| Investment property | 16 | | **16,757,000** | | *18,151,500* |
| | | | **26,213,790** | | *23,977,811* |
| **Current assets** | | | | | |
| Debtors | 19 | **152,342** | | *160,661* | |
| Cash at bank and in hand | | **689,946** | | *264,466* | |
| | | **842,288** | | *425,127* | |
| Creditors: amounts falling due within one year | 20 | **(946,818)** | | *(499,650)* | |
| **Net current liabilities** | | | **(104,530)** | | *(74,523)* |
| **Total assets less current liabilities** | | | **26,109,260** | | *23,903,288* |
| **Total net assets** | | | **26,109,260** | | *23,903,288* |
| **Charity funds** | | | | | |
| Endowment funds | 22 | | **26,109,260** | | *23,903,288* |
| Restricted funds | 22 | | **-** | | *-* |
| **Total funds** | | | **26,109,260** | | *23,903,288* |

The financial statements were approved and authorised for issue by the Trustees on 08 December 2021 and signed on their behalf by:

**Councillor H. Bettison** H Bettison

**C.R.J. Oakley** CRJ Oakley

The notes on pages 17 to 35 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 25 | **455,487** | *(33,604)* |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of investments | | **3,010,415** | *3,091,549* |
| Purchase of investments | | **(3,040,422)** | *(2,999,872)* |
| **Net cash (used in)/provided by investing activities** | | **(30,007)** | **91,677** |
| **Change in cash and cash equivalents in the year** | | **425,480** | **58,073** |
| Cash and cash equivalents at the beginning of the year | | **264,466** | *206,393* |
| **Cash and cash equivalents at the end of the year** | 26 | **689,946** | *264,466* |

The notes on pages 17 to 35 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. General information

The Berwick upon Tweed Corporation (Freemen) Trustees is a registered charity, number 222154. The charity is unincorporated and its registered office is Town Hall, Marygate, Berwick upon Tweed, TD15 1BN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Berwick upon Tweed Corporation (Freemen) Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### 2.2 Going concern

The charitable trust has cash resources and no requirement for external funding. The trustees have reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

#### 2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

#### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Government grants**

Government grants are included in the Statement of Financial Activities on a receivable basis

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.7 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

| | | |
|---|---|---|
| Intangible assets | - | 5 years straight line |

**2.8 Heritage assets**

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the Town Hall wholly written off but to capitalise any subsequent costs incurred upon work of reconstruction or fundamental repairs to the building whenever considered appropriate.

2. **Accounting policies (continued)**

**2.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are included in the balance sheet at their open market value in accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" and are not depreciated.

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.13 Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.14 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable.

## 2. Accounting policies (continued)

### 2.15 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Income from donations and legacies

| | Restricted funds 2021 £ | Total funds 2021 £ | *Total funds 2020 £* |
|---|---|---|---|
| Government grants | 29,524 | **29,524** | - |

## 4. Income from other trading activities

### Income from non charitable trading activities

| | Restricted funds 2021 £ | Total funds 2021 £ | *Total funds 2020 £* |
|---|---|---|---|
| Farm trading activities | 31,347 | **31,347** | - |

## 5. Investment income

| | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Rents received | 436,255 | **436,255** |
| Investment income - listed investments | 131,832 | **131,832** |
| Bank interest | 24 | **24** |
| | 568,111 | **568,111** |

## 5. Investment income (continued)

| | *Restricted funds 2020* £ | *Total funds 2020* £ |
|---|---|---|
| Rents received | *415,878* | *415,878* |
| Investment income - listed investments | *241,414* | *241,414* |
| Bank interest | *42* | *42* |
| | *657,334* | *657,334* |

## 6. Other incoming resources

| | **Restricted funds 2021** £ | **Total funds 2021** £ |
|---|---|---|
| Other income | 20,792 | **20,792** |

| | *Restricted funds 2020* £ | *Total funds 2020* £ |
|---|---|---|
| Other income | *50,728* | *50,728* |

## 7. Expenditure on raising funds

### Other trading expenses

| | Restricted funds 2021 £ | Total funds 2021 £ | *Total funds 2020 £* |
|---|---|---|---|
| Farm trading costs | 21,043 | **21,043** | - |

## 8. Investment management costs

| | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Investment manager | 35,542 | **35,542** |
| Land Steward | 37,566 | **37,566** |
| | 73,108 | **73,108** |

| | *Restricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|
| Investment manager | *36,385* | *36,385* |
| Land Steward | *46,521* | *46,521* |
| | *82,906* | *82,906* |

## 9. Analysis of expenditure on charitable activities

### Summary by fund type

| | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Direct costs | 555,623 | **555,623** |

| | *Restricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|
| Direct costs | *625,156* | *625,156* |

### Summary by expenditure type

| | Staff costs 2021 £ | Other costs 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| Direct costs - Activities | 31,307 | 524,316 | **555,623** |

| | *Staff costs 2020 £* | *Other costs 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| Direct costs - Activities | *33,595* | *591,561* | *625,156* |

## 10. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| Direct costs | 379,108 | 176,515 | **555,623** |

| | *Activities undertaken directly 2020 £* | *Support costs 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| Direct costs | *451,016* | *174,140* | *625,156* |

### Analysis of direct costs

| | Activities 2021 £ | Total funds 2021 £ |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | 85,337 | **85,337** |
| Corporation Academy Foundation | 450 | **450** |
| Payment to Oldest Freemen | 50 | **50** |
| Stints in Lieu of Meadows | 265 | **265** |
| Payment of Surplus on Schedule III | 298,781 | **298,781** |
| Surplus on Schedule I and II | (5,775) | **(5,775)** |
| | 379,108 | **379,108** |

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

| | *Activities 2020* £ | *Total funds 2020* £ |
|---|---|---|
| Payments to Resident Freemen and Widows of Freemen | *86,592* | *86,592* |
| Corporation Academy Foundation | *450* | *450* |
| Payment to Oldest Freemen | *50* | *50* |
| Stints in Lieu of Meadows | *265* | *265* |
| Payment of Surplus on Schedule III | *362,721* | *362,721* |
| Deficit on Schedule I and II | *938* | *938* |
| | *451,016* | *451,016* |

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

| | Activities 2021 £ | Total funds 2021 £ |
|---|---|---|
| Staff costs | 31,307 | 31,307 |
| Heating, lighting and cleaning | 13,013 | 13,013 |
| Rates | 3,572 | 3,572 |
| Insurance - Estate | 26,464 | 26,464 |
| Repairs and improvements | 6,621 | 6,621 |
| Furniture and fittings | 1,003 | 1,003 |
| Estate - repairs and maintenance | 5,429 | 5,429 |
| Insurance - Town Hall | 10,907 | 10,907 |
| Legal and professional fees | 33,830 | 33,830 |
| Service charge | 27,672 | 27,672 |
| Freemen's Committee | 6,819 | 6,819 |
| Messenger | 160 | 160 |
| Printing and stationery | 1,437 | 1,437 |
| Governance costs | 10,150 | 10,150 |
| Irrecoverable VAT | (2,015) | (2,015) |
| Miscellaneous other employee costs | 146 | 146 |
| | 176,515 | 176,515 |

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2020* £ | *Total funds 2020* £ |
|---|---|---|
| Staff costs | *33,595* | *33,595* |
| Heating, lighting and cleaning | *22,669* | *22,669* |
| Rates | *3,643* | *3,643* |
| Insurance - Estate | *26,057* | *26,057* |
| Repairs and Improvements | *4,617* | *4,617* |
| Furniture and fittings | *1,749* | *1,749* |
| Estate - repairs and maintenance | *14,665* | *14,665* |
| Insurance - Town Hall | *10,799* | *10,799* |
| Legal and professional fees | *10,773* | *10,773* |
| Service charge | *26,875* | *26,875* |
| Freemen's Committee | *6,956* | *6,956* |
| Messenger | *160* | *160* |
| Printing and stationery | *1,291* | *1,291* |
| Governance costs | *10,114* | *10,114* |
| Miscellaneous other employee costs | *177* | *177* |
| | *174,140* | *174,140* |

Governance costs included above comprise:

| | **2021** £ | *2020* £ |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | **6,860** | *6,830* |
| Preparation of financial statements | **3,290** | *3,284* |
| | **10,150** | *10,114* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 11. Auditors' remuneration

| | 2021 £ | 2020 £ |
|---|---|---|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | 6,860 | 6,830 |
| Fees payable to the charity's auditor in respect of: | | |
| Xero training | - | 1,009 |
| All non-audit services not included above | 3,290 | 3,284 |

### 12. Staff costs

| | 2021 £ | 2020 £ |
|---|---|---|
| Wages and salaries | 28,506 | 30,876 |
| Contribution to defined contribution pension schemes | 2,801 | 2,719 |
| | 31,307 | 33,595 |

The average number of persons employed by the charity during the year was as follows:

| | 2021 No. | 2020 No. |
|---|---|---|
| Average number of full time equivalent staff | 1 | 2 |

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration paid to key management personnel during the year, including employer's pension contributions, amounted to £31,307 (2020 : £30,945).

### 13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 March 2021, expenses totalling £48 were reimbursed to 2 Trustees *(2020 - £ NIL)*. These expenses were for printing, stationery, postage and telephone costs.

## 14. Gains and losses on revaluation of investment assets

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Gain /(loss) on revaluation of listed securities | 1,454,989 | (754,277) |
| Gain on revaluation of investment properties | 768,308 | 4,176 |
| | 2,223,297 | (750,101) |

## 15. Net gains on investments

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| (Losses) /gains on disposal of listed securities | (17,325) | 94,522 |
| Gain on disposal of investment properties | - | 54,500 |
| | (17,325) | 149,022 |

## 16. Investment property

| | Freehold investment property<br>£ |
|---|---|
| **Valuation** | |
| At 1 April 2020 | 18,151,500 |
| Additions | 30,006 |
| Disposals | (2,192,814) |
| Surplus on revaluation | 768,308 |
| At 31 March 2021 | 16,757,000 |

The 2021 valuations were made by Edwin Thompson LLP, chartered surveyors, on an open market value for existing use basis.

## 17. Heritage assets

**Assets recognised at cost**

| | Town Hall 2021 £ |
|---|---|
| Carrying value at 1 April 2020 | 3,770 |
| | 3,770 |

The above costs represent Town Hall restoration costs. The original cost of the Town Hall is not included in the balance sheet because in the opinion of the Trustees, the cost of professionally valuing the Town Hall to include a value in the financial statements outweighs the benefits to the users of the financial statements.

The Town Hall (including contents) has been valued for insurance purposes at £12,579,623.

## 18. Fixed asset investments

| | Listed investments £ | Cash held for reinvestment £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2020 | **5,642,209** | **180,332** | **5,822,541** |
| Additions | **1,524,258** | **1,486,158** | **3,010,416** |
| Disposals | **(834,926)** | **-** | **(834,926)** |
| Revaluations | **1,454,989** | **-** | **1,454,989** |
| At 31 March 2021 | **7,786,530** | **1,666,490** | **9,453,020** |

## 19. Debtors

| | 2021 £ | *2020 £* |
|---|---|---|
| **Due within one year** | | |
| Other debtors | **100** | *100* |
| Prepayments and accrued income | **152,242** | *160,561* |
| | **152,342** | *160,661* |

## 20. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|---|---|
| Other taxation and social security | 525,298 | 7,255 |
| Other creditors | 362,836 | 432,551 |
| Accruals and deferred income | 58,684 | 59,844 |
| | 946,818 | 499,650 |

### Other creditors

Other creditors comprise:

| | 2021 £ | 2020 £ |
|---|---|---|
| Berwick Town council Schedule III Surplus | 150,261 | 182,231 |
| Freemen's Committee Schedule III Surplus | 148,520 | 180,490 |
| Retention Fund (1926 Act, sect. 27(3)) | 300 | 300 |
| Schedule I and II Lands Revenue | 63,755 | 69,530 |
| | 362,836 | 432,551 |

## 21. Financial Instruments

| | 2021 £ | 2020 £ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through income and expenditure | 9,453,020 | 5,822,541 |

Financial assets measured at fair value through income and expenditure comprise listed investments.

## 22. Statement of funds

### Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | 2,482,723 | - | - | 138,550 | 2,621,273 |
| Schedule III Lands | 13,752,262 | - | - | 1,718,023 | 15,470,285 |
| Schedule IV Lands | 7,668,303 | - | - | 349,399 | 8,017,702 |
| | 23,903,288 | - | - | 2,205,972 | 26,109,260 |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | 82,491 | (82,491) | - | - |
| Schedule III Lands | - | 271,455 | (271,455) | - | - |
| Schedule IV Lands | - | 295,828 | (295,828) | - | - |
| | - | 649,774 | (649,774) | - | - |
| **Total of funds** | 23,903,288 | 649,774 | (649,774) | 2,205,972 | 26,109,260 |

## 22. Statement of funds (continued)

### Statement of funds - prior year

| | *Balance at 1 April 2019* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2020* £ |
|---|---|---|---|---|---|
| **Endowment funds** | | | | | |
| Schedule I and II Lands | *2,555,510* | - | - | *(72,787)* | *2,482,723* |
| Schedule III Lands | *14,151,821* | - | - | *(399,559)* | *13,752,262* |
| Schedule IV Lands | *7,797,036* | - | - | *(128,733)* | *7,668,303* |
| | *24,504,367* | - | - | *(601,079)* | *23,903,288* |
| **Restricted funds** | | | | | |
| Schedules I and II Lands | - | *90,463* | *(90,463)* | - | - |
| Schedule III Lands | - | *333,558* | *(333,558)* | - | - |
| Schedule IV Lands | - | *284,041* | *(284,041)* | - | - |
| | - | *708,062* | *(708,062)* | - | - |
| **Total of funds** | *24,504,367* | *708,062* | *(708,062)* | *(601,079)* | *23,903,288* |

## 23. Summary of funds

### Summary of funds - current year

| | **Balance at 1 April 2020** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 March 2021** £ |
|---|---|---|---|---|---|
| Endowment funds | **23,903,288** | - | - | **2,205,972** | **26,109,260** |
| Restricted funds | - | **649,774** | **(649,774)** | - | - |
| | **23,903,288** | **649,774** | **(649,774)** | **2,205,972** | **26,109,260** |

## 23. Summary of funds (continued)

**Summary of funds - prior year**

| | *Balance at 1 April 2019* £ | *Income* £ | *Expenditure* £ | *Gains/ (Losses)* £ | *Balance at 31 March 2020* £ |
|---|---|---|---|---|---|
| Endowment funds | *24,504,367* | - | - | *(601,079)* | *23,903,288* |
| Restricted funds | - | *708,062* | *(708,062)* | - | - |
| | *24,504,367* | *708,062* | *(708,062)* | *(601,079)* | *23,903,288* |

## 24. Analysis of net assets between funds

**Analysis of net assets between funds - current year**

| | **Endowment funds 2021** £ | **Total funds 2021** £ |
|---|---|---|
| Fixed asset investments | 9,453,020 | **9,453,020** |
| Investment property | 16,757,000 | **16,757,000** |
| Heritage assets | 3,770 | **3,770** |
| Current assets | 842,288 | **842,288** |
| Creditors due within one year | (946,818) | **(946,818)** |
| **Total** | 26,109,260 | **26,109,260** |

**Analysis of net assets between funds - prior year**

| | *Endowment funds 2020* £ | *Total funds 2020* £ |
|---|---|---|
| Fixed asset investments | *5,822,541* | *5,822,541* |
| Investment property | *18,151,500* | *18,151,500* |
| Heritage assets | *3,770* | *3,770* |
| Current assets | *425,127* | *425,127* |
| Creditors due within one year | *(499,650)* | *(499,650)* |
| **Total** | *23,903,288* | *23,903,288* |

## 25. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 2,205,972 | (601,079) |
| **Adjustments for:** | | |
| (Gains)/losses on investments | (2,205,972) | 601,079 |
| Decrease/(increase) in debtors | 8,319 | (22,670) |
| Increase/(decrease) in creditors | 447,168 | (10,934) |
| **Net cash provided by/(used in) operating activities** | 455,487 | (33,604) |

## 26. Analysis of cash and cash equivalents

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Cash in hand | 689,946 | 264,466 |
| **Total cash and cash equivalents** | 689,946 | 264,466 |

## 27. Analysis of changes in net debt

| | At 1 April 2020<br>£ | Cash flows<br>£ | At 31 March 2021<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 264,466 | 425,480 | 689,946 |

## 28. Pension commitments

Pension costs, representing Trustees contributions to individual employee schemes, are charged to expenditure when they become payable. The charge for the year was £2,801 (2020: £2,719). No contributions are due at the year end.

## 29. Related party transactions

There were no related party transactions during the year.