

ANNO 41



Caring for Mourne

MOURNE HERITAGE TRUST

Annual Report
AND *Accounts*

APRIL 2001 - MARCH 2002



MOURNE HERITAGE TRUST



Company INFORMATION

Directors

- 1 Dr A Mitchell Chair ✓
- 1 Ms I Hood Vice-Chair ✓
- 1 Mr H O'Neill Secretary ✓
- 1 Mr J Saunders Treasurer ✓
- 1 Mr G Douglas ✓
- 1 Mr W Burns ✓
- 1 Mr S Doyle ✓
- 1 Mr W Martin ✓
- 1 Mr P Kelly ✓
- 1 Ms A Diver ✓
- 1 Mrs J Adair ✓
- 1 Mr D Patterson ✓
- 1 Mr B Davey ✓
- 1 Mrs R Chestnutt ✓
- 1 Mr R Annett ✓
- 1 Ms M Killen ✓
- 1 Mr I Hanna ✓
- 1 Mr S McCarthy ✓
- 1 Mr M Cole ✓
- 1 Mrs C O'Boyle ✓
- 1 Mrs J Whatmough ✓
- 1 Mr D Thompson ✓

Secretary

Mr H O'Neill

Company Number

NI 32946

Charity Number

XR 23015

Registered Office

87 Central Promenade
Newcastle
Co Down BT33 0HH

Auditors

M B McGrady & Co
Rathmore House
52 St Patrick's Avenue
Downpatrick BT30 6DS

Bankers

Bank of Ireland
19 Greencastle Street
Kilkeel, Co Down BT34 4BH

Solicitors

McBurney & Co
5 Church Square
Banbridge BT32 4AS



Chairman's REPORT

The Mourne Heritage Trust, after five years finds itself at a political crossroads. At last year's AGM I spoke of the need for a political decision to adequately invest in the environment and landscapes of Mourne. I am aware that it is a radical decision for our politicians, but it is one that must be addressed now. It can no longer be avoided.

Our core funders, up until now, have been courageous to support us and we are extremely grateful to them. Indeed Local Government has been particularly supportive when we view the support given to similar areas elsewhere in these islands. We consider that they have adequately fulfilled their obligations. It is left to Central Government to decide whether to commit adequate financial investment into the remarkable national natural resources of this area.

The resources of environment, landscape, heritage and the cultures of our people are the most important sustainable resources that we have, and we must now urgently utilise them to sustain the indigenous communities of our Protected Areas. Communities who, by their more traditional way of life, have developed the skills to become the custodians of these areas. To maximise the intrinsic value of these resources the board of the Mourne Heritage Trust took the decision to promote the concept of a National Park (Celtic Model) for the Mourne Area of Outstanding Natural Beauty. The decision was not taken lightly but after much debate. This took into account not only the urgent needs of the environment and landscape but also importantly the urgent need for alternative employment and economic regeneration for the indigenous communities. We are, almost certainly, the last country in Europe to propose to use our resources in such a way and can learn from others who have been 'in this business' for the last fifty years. Tony Gates our Chief Executive, and myself have been making presentations to Ministers, Government Departments, District Councils and Advisory Committees to promote the National Park concept.

Through our experience of five years of environmental management, MHT has come to realise that the scale of our

operation is too small. Our capabilities are as such that we cannot arrest what we recognise as a decline in the resource. Managing our environment is a delicate balance and we all have a responsibility. As managers our responsibility will be to manage sensitively encouraging appropriate development. Our farmers and landowners must be supported in their critical role as custodians of our countryside. Developers, large and small, will also have responsibilities. They must develop sensitively and appropriately, not squeezing every financial reward from their investment, but giving space for the needs of the environment and landscape.

We recognise that we are asking Central Government to make a substantial investment but without such an investment we will all fail. We would refer the decision makers to the experience of others who have already gone down this road. They have found that the potential for 'job creation' and economic regeneration far exceeds that of so called 'inward investment' and in the long term, with appropriate management, is certainly more sustainable. The decision is now in the hands of Government and we await their deliberations with 'baited breath'.

In closing I must thank our Board of Trustees for their commitment and hard work. They have had many meetings to attend and potentially many more to come. The wealth of knowledge and expertise that they bring to the boardroom never fails to surprise and delight me.

To our staff, our congratulations for your remarkable achievements of the past year. Through your efforts and dedication you have ensured the future of the Trust for at least another three years. I am sure the Board would wish me to thank you all on our behalf.

Dr Arthur Mitchell, MBE, Chairman, Mourne Heritage Trust



MHT Chairman, Dr. Arthur Mitchell, MBE, presents a 'Mourne scene' to Minister Brid Rogers at the launch of the 'Mourne Cycle Trails'.

Chief Executive's REPORT

This year has seen the Mourne Heritage Trust enter its second three-year phase of operations.

These operations will be guided by the Trust's new Operational Plan 2001 - 2004, which was completed during the year and which has received the endorsement of our core funding agencies. The Plan sets out the Trust's future operations across five key areas of activity which contribute to the Trust's overall mission of 'Caring for Mourne'.

As with our first Operational Plan, our programme is substantial yet realistic and we recognise that achieving the goals set out therein will require the support, co-operation and commitment of many partners. As we begin to roll out our programme, the Trust has established a number of working groups to guide the delivery of key areas of activity and, in doing so, have engaged much advice and expertise from key groups and individuals. We are grateful for the level of commitment we have achieved to date.

The Operational Plan has set the context for the development of new Service Level Agreements with the Trust's core funders. These will ensure that the Trust continues to provide best value in carrying out its core management activities.

With the development of the new Operational Plan, the Trust's projects and programmes have changed. We have seen the completion of some such as the interpretative programme, whilst new initiatives are ready to begin.

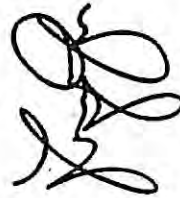
The Trust's successful bid to act as the delivery body for the Peace II Natural Resource Rural Tourism Initiative (NRRTI) has meant that a new programme of investment in the tourism potential of our key natural resources will now begin and run to 2006. Whilst such an investment is both needed and welcome, we are aware of the dangers which increased

use of our natural resources may present without the necessary investment in management. We must, therefore, continue to work for adequate resources to manage the environment in its own right.

This year has seen the Trust continue to deliver outputs across a wide range of programmes. Our Countryside Management Service and Ranger Service continue to provide essential services in protecting and enhancing our environment and providing key visitor management initiatives.

As we reach the end of our initial phase of funding of the Mourne Conservation Volunteers Programme a special word of thanks is due to the efforts of our volunteers who have taken the role of caring for their environment to new levels. Their achievements, detailed in the body of this report, speak for themselves. They provide a vehicle through which people can get actively involved and one which, through working with the new Mourne Conservation Volunteer committee, the Trust is committed to sustaining into the future.

The management of the Mourne AONB which the Trust continues to deliver, can only be achieved by the commitment of our Board of Trustees who give generously of their time and expertise and the hard work of our small staff team. I would like to thank them for their support throughout the year.



Tony Gates, Chief Executive, Mourne Heritage Trust



Chief Executive, Tony Gates, being interviewed by Brian Black as part of a television report on National Parks.

ENVIRONMENTAL Enhancement AND Protection

COUNTRYSIDE MANAGEMENT SERVICE

This year the team continued its annual maintenance programme on the footpath network within the AONB, extending its operations to paths within Banbridge District and opening two new paths, thus bringing the number of public footpaths maintained to 40.

The team also extended its programme of countryside car parks maintenance within the AONB to include some District Council car parks.

The team completed the first years maintenance of signs and way markers installed under the Trust's Mourne Interpretative Programme and the Mourne Cycle Trails initiative.

Working with the community and volunteers, the team have commenced the establishment of a nature trail over 2km in length in the Silent Valley Mountain Park.

During the year, Mark Myles and Jimmy Kennedy joined the Team for a period of six months as part of the 'Work Track' initiative. Their assistance has helped greatly with the work of the team.

Key outputs achieved:

- Weekly programme of litter clearance and access maintenance at 12 car parks and various sites throughout the AONB.
- Maintenance of 26km of public footpaths and 4 countryside car parks.
- Survey and maintenance of 32 stiles in the High Mournes and installation of 5 new stiles.
- Installation of 5 interpretative panels and maintenance of 30 existing panels.
- Maintenance of 7 signed cycle routes.
- Installation of interpretative panels for 5 village trails.
- Completion of first phase of opening the Silent Valley nature trail.
- Assisted with 4 community environmental projects.

RANGER SERVICE

During the year funding for the Ranger Service remained insecure and MHT have been unable to secure continuation funding for the

second ranger post. As a result, Andrew McIntosh left the Trust's employment in September 2001. In October 2001, the Trust secured a grant of £30,000 from the Esmee Fairbairn Foundation to support the running costs of a one person Ranger Service for a three-year period.

Due to the loss of the second Ranger post, regular weekend patch monitoring has been suspended. The Ranger Service remained heavily involved responding to the demands of the Foot and Mouth disease crisis until July 2001. During the year the Ranger Service continued to oversee the Mourne Conservation Volunteers (MCV) programme and initiated the establishment of a voluntary ranger service.

The Ranger Service also produced an AONB information pack for use by visitors and school groups. These information packs were produced with grant support from the Leader II programme.

Towards the end of the report period the Ranger was heavily involved with issues relating to coastal erosion and threats to coastal ASSIs.

Key outputs achieved:

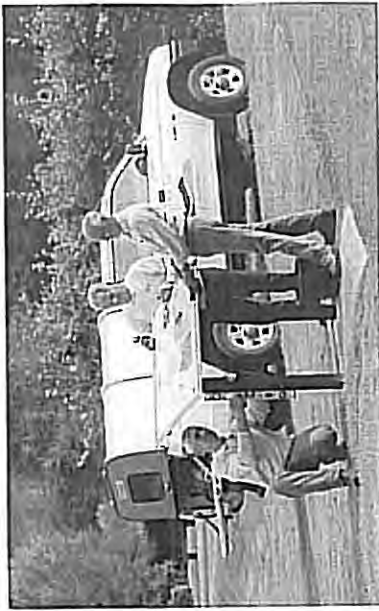
- Management of the MCV programme.
- Links established and environmental awareness visits and projects completed with 10 schools.
- Completed monthly condition audit of Rights of Way within the AONB.
- Access to High Mournes monitored at close of Foot and Mouth disease outbreak.
- Compiled and published a pack of 8 information sheets.
- Completed 1 farmer's liaison group event and established direct involvement of 53 farmers.
- Continued NVQ training procedures with 8 volunteers.
- Assisted with the development of the Volunteer Ranger programme
- Responded to over 20 queries from farmers and members of the public.

MOURNE CONSERVATION VOLUNTEERS

The period up to September 2001 represented the third and final year of financial support to the MCV programme by the Community Fund. Due to the negative impact of Foot and Mouth disease upon the programme, the Community Fund agreed to extend their support for the project until 31 March 2002.

A regular fortnightly programme of practical projects and training events recommenced in June 2001 and the number of volunteer members continued to grow during the period.

In June 2001 a Mourne Conservation Volunteers Management



Top: The Countryside Team installing one of the new interpretative panels.

Middle: Members of the Farmers Liaison Group discuss organic farming during an exchange visit.

Bottom: Mourne Conservation Volunteers working with the 'Second Chance' wildlife sanctuary.

Committee, composed of elected volunteer representatives was established to encourage the programme to become more self-sustaining. The group now meets on a monthly basis.

The Trust is currently seeking funding for ongoing support for the operation of the MCV programme.

Towards the end of the report period, the Trust developed the Volunteer Rangers and Guardians of Green Space initiatives, to provide a range of volunteering opportunities for those who cannot attend volunteer events or who have a specific interest in a particular strand of the Trust's activities.

Both programmes were launched at the end of March 2002 when over forty potential volunteers registered an expression of interest.

Key outputs achieved:

- Over 697 volunteers now registered.
- Over 815 volunteer days committed.
- Value of volunteer input at over £40,750.
- 23 long-term unemployed and 70 disabled volunteers participating in the programme.
- Completed 17 practical projects, 4 training events and 1 biological monitoring event.
- Established the Mourne Conservation Volunteers Management Committee.
- Established Tree Nursery at Silent Valley.
- Launch of Volunteer Rangers and Guardians of Green Space initiatives.
- 40 potential volunteers registered with Volunteer Rangers and Guardians of Green Space.

LONG DISTANCE WALKING TRAILS

During the year the Trust has developed plans for a number of long distance walking trails within the AONB.

New routes agreed include the Mourne Way, a 21 km route from Newcastle to Rostrevor and the Newcastle Challenge Trail which is a 20 km route. Funding has been secured from NITB and EHS for both of these routes.

The Mourne Way has been designated as a Way Marked Way and, as such, will be marketed as part of a national initiative.

Key outputs achieved:

- Routes for 2 long distance walking trails agreed
- Match funding secured from NITB and EHS for the Mourne Way and the Newcastle Challenge Trail.

VISITOR SITE ENHANCEMENTS

Through the NITB Tourism Capital Challenge Fund, funding has been secured for eight visitor site enhancement projects in the AONB. These include access car parks and interpretation at Legananny Dolmen, Lettrim Road and Carrick Little. Car parking and picnic facilities will be provided at Trassey Road, Bannanstown Road and Dundrum coastal path. Access and interpretation of Binder's Cove Souterrain and an interpretative trail at Dundrum Castle. This project is being match funded by District Councils, EHS and the National Trust.

Key outputs achieved:

- Project agreed with District Councils and landowners.
- Funding secured for 8 visitor site enhancement projects.

Visitor MANAGEMENT AND VISITOR Services

MOURNE INTERPRETATIVE STRATEGY

Phase 2 of the Mourne Interpretative Strategy was completed during the year using funding from the NITB Tourism Capital Challenge Fund.

MHT helped co-ordinate the establishment of five interpretative village trails in Newcastle, Dundrum, Killeel, Castlewellsan and Rostrevor which were funded by the Mourne Area Based Strategy. Each trail starts from a central interpretative panel with smaller panels affixed to individual buildings and features of interest.

Key outputs achieved:

- 8 interpretative panels designed and installed across the AONB.
- 5 village community panels installed.

MOURNE INFORMATION PACKS

During 2001, funding was secured from the Leader II programme in South Down to produce fact sheets on various aspects of the Mourne AONB for schools, researchers and visitors.

An information pack containing 8 fact sheets was produced



Top: Mourne Conservation Volunteers construct a tree nursery at the Silent Valley.

Above: The Mourne Information Fact Sheets.



Mourne's Coastal Landscapes

NATURAL HERITAGE
Biodiversity in Mourne

Grand Houses of Mourne

Traditional Houses of Mourne

under the supervision of the Ranger Service. The fact sheets will be held by schools to assist students with project work and field studies and by tourist information centres for use by visitors and the general public. Some fact sheets have technical supplements specifically for use by schools.

Subjects covered by the fact sheets are: Tourism, Coastal Landscapes, Natural Heritage, Man-made erosion, Climate and Weather, Traditional Houses and Grand Houses of Mourne.

It is intended to update and expand the fact sheet series in future as resources allow.

Key outputs achieved:

- Production of eight Mourne Fact Sheets and two technical supplements covering eight topic areas.
- Production of 200 Fact Sheet folders for circulation to schools, Tourist Information Centres and Tourist Information Points.

GUIDED WALKS PROGRAMME

The winter walks programme remained suspended during the spring of 2001 as a result of controls related to the Foot and Mouth Disease outbreak. The summer programme commenced in June 2001 and the winter walks programme was restored in the late autumn of 2001.

Both programmes continued to be planned and led by key volunteers in conjunction with the Ranger Service. The walks continue to be popular with walks often over-subscribed.

Key outputs achieved:

- 10 summer walks held.
- 6 winter walks held.
- 183 members of the public took part in the guided walks programme.

COUNTRYSIDE RECREATION WORKING GROUP

The CRWG co-ordinates the development of countryside access and recreation in the AONB. It includes District Council access officers and representatives from the National Trust, Forest Service and Environment and Heritage Service and is co-ordinated and serviced by the Mourne Heritage Trust. The group continued to work well and met on ten occasions throughout the year.

Key outputs achieved:

- Co-ordination and development of a Mourne Recreation Strategy.

- Continued development of the Mourne Interpretative Strategy.
- Preparation of a programme of eight visitor site enhancements within the AONB and development of a funding package under the Tourism Capital Challenge Fund initiative.

MOURNE COUNTRYSIDE RECREATION STRATEGY (MCRS)

Building on the research phase completed during 2000, this year the Trust co-ordinated the development of a Countryside Recreation Strategy for Mourne.

Resources were made available to MHT in partnership with CAAN to employ consultants to assist with the preparation of the Strategy.

Consultants, Countryside Consulting, were engaged to help develop the Strategy and oversee public consultation. By the end of March 2002, the Strategy was worked up to final draft proposal stage. The Strategy has subsequently contributed to the formulation of a Sustainable Tourism Strategy for Mourne.

Key outputs achieved:

- Production of a final draft proposals of the Mourne Countryside Recreation Strategy.

Built AND Cultural Heritage

MOURNE HOMESTEADS

The 'Mourne Homesteads' initiative commenced in May 2000 as a project designed to restore a number of derelict traditional dwellings for permanent occupation by local people. Building on the development of this innovative initiative in 2000, the project received a Stage One pass from the Heritage Lottery Fund for a £1.4 million project in October 2001, with approval of development funding of £49,379,00.

A Stage Two application to restore up to 9 dwellings, their outhouses and their traditional settings has been worked up

Top: The Mourne Countryside Recreation Working Group.

Above: The Mourne Information Fact Sheets.

during the current year and was submitted to the Heritage Lottery Fund in April 2002 with a decision anticipated in September 2002.

Applications for partnership funding have also been prepared to Co-operation Ireland and the Rural Development Council.

The Mourne Homesteads project will now include a large educational and training element. A partnership has been formed with Duchías - the Heritage Service in the Republic of Ireland.

In addition, during this year, a separate, yet parallel, project involving the restoration of two traditional dwellings has also been developed. Supported by the Pilgrim Trust, this project will be completed in 2003.

AUDIT OF TRADITIONAL BUILDINGS

The audit of traditional buildings within the AONB initiated during the previous year is now nearing completion with 691 buildings recorded to date. It is intended to publish the findings of this audit in the coming year.

CONSERVATION AREA CONFERENCE

The Trust ran a successful conference in November 2001 entitled 'Jewels in the Crown or Albatrosses - Reinventing Northern Ireland's Conservation Areas'. The conference, which was co-hosted by the Ulster Architectural Heritage Society, was opened by Sam Foster - Minister of the Environment and attracted over 130 delegates. The conference proceedings were subsequently launched by Dermot Nesbitt - Minister of the Environment and 1000 copies were distributed.

Key outputs achieved:

- Stage 1 HLF application successful and development funding received.
- Detailed Stage 2 applications prepared and submitted to HLF with partnership funding applications to Co-operation Ireland and the RDC.
- Project developed and support received from the Pilgrim Trust for a two building project.
- Audit of traditional building progressed.
- Successful conference held in Newcastle with over 130 delegates participating.
- 1000 copies of conference proceedings produced and distributed.

Sustainable Tourism

NATURAL RESOURCE RURAL TOURISM INITIATIVE (NRRTI)

In July 2001 the Department of Agriculture and Rural Development launched the NRRTI. Funded under the Peace II programme, NRRTI aims to develop a sustainable tourism product in five key disadvantaged and national resource areas across Northern Ireland.

In September 2001, MHT bid to act as the delivery agent for the initiative in the Mournes and Slieve Croob target area, and this bid was approved by DARD in November 2002.

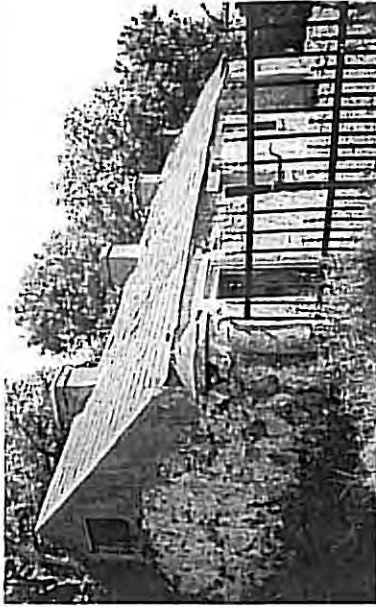
The Trust and key local agencies of Newry and Mourne, Down and Banbridge District Councils, together with the ROMAL and East Down Rural Community support networks have established a strategic partnership to oversee the development of the initiative in Mourne and Slieve Croob.

The first stage in the development of NRRTI at the local level involves the preparation of a Sustainable Tourism Strategy for the target area. Led by the strategic partnership, work on the Strategy for Mournes was initiated in January 2002 under the guidance of consultants Tourism Development International and Ferguson and McIlveen. In January 2002, the Trust, together with its key partners held a successful fact finding visit on sustainable tourism to the Vercors and Vexin Regional Parks in France. This has helped inform the development of NRRTI in Mourne and Slieve Croob.

Following public consultation, the Strategy is due for completion and submission to DARD in June 2002, when it will represent Mourne's bid for its share of the £15m available under NRRTI.

Key outputs achieved:

- MHT appointed as the delivery agent for NRRTI in the Mourne target area.
- Successful study visit to French Regional Parks involving 20 MHT members and partners.
- Initiation of a Sustainable Tourism Strategy for Mourne.



Top: Derelict traditional cottage.

Middle: Akinsreel launch of the Conservation Area Conference.

Bottom: Conference Proceedings.

MOURNE INFORMATION SERVICE

The Mourne Heritage Trust continues to provide a tourism information point and information service to visitors to the AONB at its offices in Newcastle.

The Trust provides an important information service for visitors wishing to visit the rural or upland areas, or specific heritage sites with the AONB.

During the report period, there were over 2,000 visitors to the Trust offices for this type of information.

The number of visitors declined during the beginning of the report period due to the impact of Foot and Mouth disease on the area. However, the Trust dealt with a high volume of telephone enquiries during this time.

Key outputs achieved:

- 1 Tourist Information Point provided.
- Over 2,000 visitors provided with information/assistance.

Trust Management

OPERATIONAL PLAN 2001 - 2004

Following the successful 'External Evaluation' of MHT by PricewaterhouseCoopers in February 2001, the Trust embarked upon the preparation of a new Operational Plan 2001 - 2004.

A detailed round of public participation and consultation was held in the development of the Operational Plan with over 80 participants attending a key planning workshop in Hilltown in August 2001.

The new Operational Plan was approved by the Board of Trustees in January 2002, and has subsequently been endorsed by the Trust's core funding agencies.

The Operational Plan 2001 - 2004 has been designed to complement the strategies of key Government agencies including EHS, NITB and DARD as well as the economic, environmental and cultural strategies of the District Councils.

Guided also by a broad series of national, regional and local strategies, the Plan sets out a vision and programme for the role of the MHT across five key areas of performance namely:

- Recreation and enhancement of the Natural Environment.
- Visitor Management and Visitor Services.
- Built and Cultural Heritage.
- Sustainable Tourism.
- Rural and Community Regeneration.

BOARD OF TRUSTEES

During 2001/2002 the Board of Trustees consisted of 22 members with Michael Cole being co-opted to the Board in December 2001.

Dawson Stelfox resigned from the Board in September 2001 and Jo Whatmough and David Thompson were newly elected to the Board at the AGM in September 2001.

The Board of Trustees met on 9 occasions during the year with an average rate of attendance of 61%, whilst the Board's Executive Committee met on 7 occasions with an average rate of attendance of 77%, illustrating the high degree of involvement and commitment of Trustees in the operations and management of MHT.

SUB-COMMITTEES AND WORKING GROUPS

The Countryside Recreation Working Group and Built Heritage Working Group continued to operate successfully throughout the year. The Upland Footpath monitoring Group met on only two occasions following the temporary suspension of this project.

Three new sub-committees were established during the year to take forward key programmes identified within the new Operational Plan 2001 - 2004. These were:

- Planning Consultation Sub-Group
- NRRT Strategy Partnership Group
- Natural Heritage Sub-Group

In all there are now seven sub-committees of the Trust, involving 45 key informants and advisors.

STAFF CHANGES

In April 2001, the four members of the Upland Erosion Control team left the Trust following the suspension of this project. In September 2001, the second Area Ranger post came to an end whilst Sharon Stockdale joined the Trust as a part-time Administrative Assistant in August 2001.



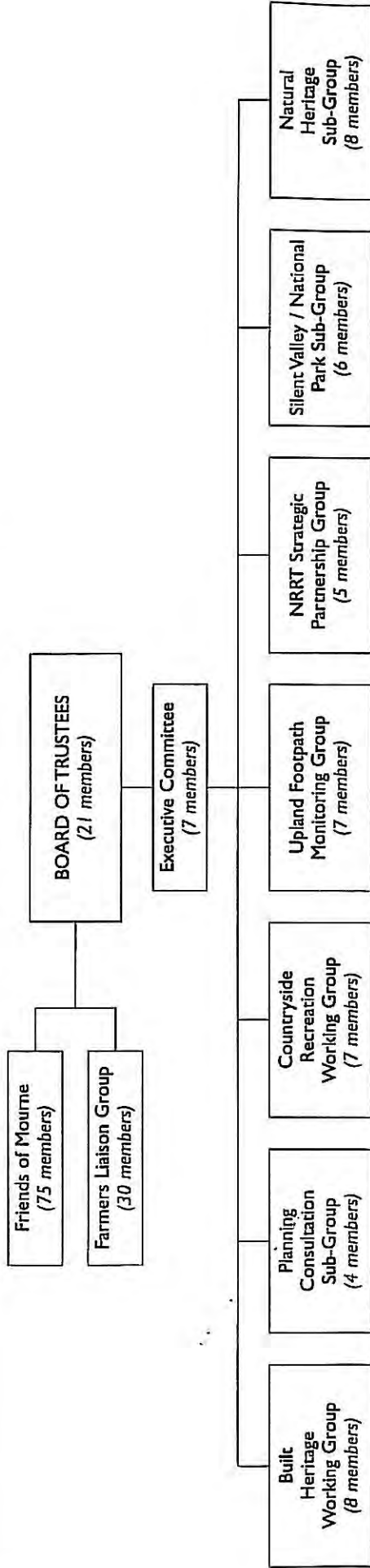
Top: Members of the Trust visit a 'Gite Panda' in the Vercors Regional Park, France.

Middle: Tourist Information at the Trust's offices in Newcastle.

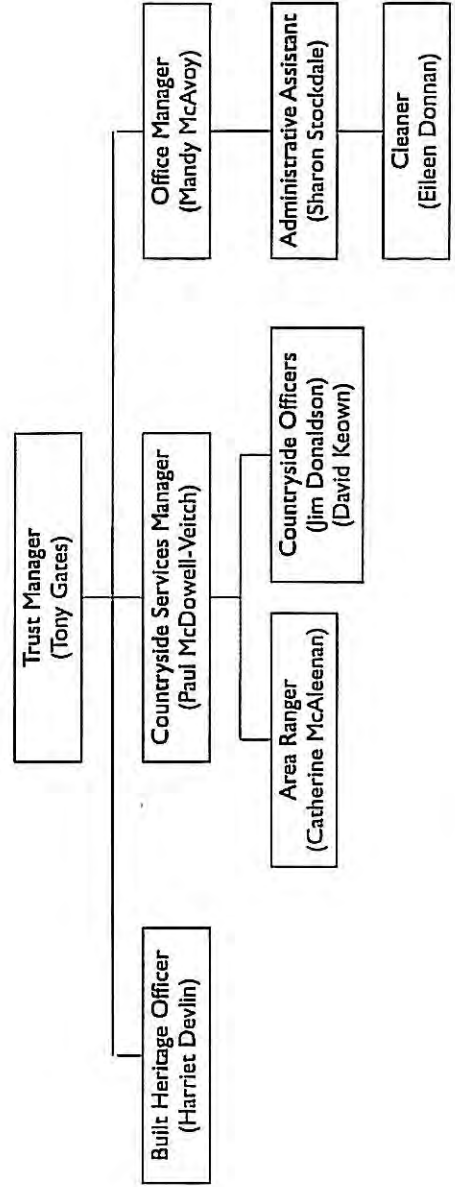
MOURNE HERITAGE TRUST



COMPANY AND COMMITTEE STRUCTURE AT MARCH 2002



STAFF STRUCTURE AT MARCH 2002



Directors'

REPORT

For the year ended 31 March 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of the protection, conservation and enhancement of the environment, historic buildings and cultural heritage of the Mourne and Slieve Croob Area of Outstanding Natural Beauty, for the benefit of the general public.

Results

The results for the year are set out on page 12.

Fixed assets

The significant changes in fixed assets during the year are explained in note 8 of the financial statements.

Directors

The following directors have held office since 1 April 2001.

A Mitchell, Chair	S Doyle	B Davey	I Hanna
I Hood, Vice Chair	W Martin	R Chestnut	C O Boyle
H O'Neill, Company Secretary	P Kelly	R Annett	M Killen
J Saunders, Treasurer	A Diver	M Cole (co-opted Dec 2001)	
G Douglas	I Adair	J Whatmough (appointed Sept 2001)	
W Burns	D Patterson	D Thompson (appointed Sept 2001)	

Directors' interests

The company is a company limited by guarantee and has no share capital.

Auditors

In accordance with article 393 of the Companies (Northern Ireland) Order 1986, a resolution proposing that M B McGrady & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- prepare the Financial Statements on the going concern basis unless it is in appropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

28 August 2002



Director

Financial

REPORT

TO THE MEMBERS OF MOURNE HERITAGE TRUST LIMITED

We have audited the Financial Statements on pages 11 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 13.

Respective responsibilities of directors and auditors

As described on this page the company's directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

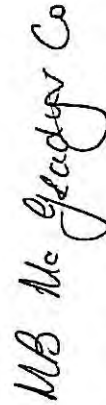
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity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

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the Financial Statements concerning the uncertainty as to the continuation of funding for the Company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies (Northern Ireland) Order 1986.



M B McGrady & Co.

Chartered Accountants & Registered Auditors

Rathmore House, 52 St. Patrick's Avenue, Downpatrick, Co. Down BT30 6DS.

29 August 2002

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2002

	Notes	Restricted Funds	Unrestricted Funds	Total 2002	Total 2001
		£	£	£	£
Incoming Resources					
Grants and donations		4,000	184,388	188,388	239,475
Sales Income		-	253	253	863
Sundry Income		-	561	561	561
Interest		-	123	123	592
Mourne Conservation		24,923	-	24,923	42,074
Friends of Mourne		-	580	580	750
Ranger Service		10,000	-	10,000	-
Mourne Wall		-	10,100	10,100	23,828
Interpretative Strategy		11,429	-	11,429	15,237
Built Heritage		43,802	-	43,802	15,411
Erosion Team		23,829	-	23,829	51,620
Europaarc		-	-	-	6,764
Total Incoming Resources		117,983	196,005	313,988	397,175
Resources Expended					
Direct charitable expenditure	2.1	81,863	34,563	116,426	200,255
Fund raising and publicity	2.2	1,265	9,615	10,880	10,938
Management and administration of the charity	2.3	36,000	155,171	191,171	196,249
Total Resources Expended	2.4	119,128	199,349	318,477	407,442
Net Movement in Funds		(1,145)	(3,344)	(4,489)	(10,267)
Balance brought forward at 1 April 2001		31,345	3,641	34,986	45,253
Balance brought forward at 31 March 2002		30,200	297	30,497	34,986

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2002

	Notes	2002	2001
		£	£
Income			
Project and administrative expenses	4	313,988	396,583
		317,495	407,105
Operating surplus	5	(3,507)	(10,522)
Other interest receivable and similar income	6	123	592
Interest payable and similar charges	7	(1,105)	(337)
Surplus / (deficit) for the year	14	(4,489)	(10,267)

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the income and expenditure account.

BALANCE SHEET
As at 31 March 2002

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

Notes	2002		2001	
	£	£	£	£
Fixed assets				
Tangible assets	8	58,686		68,518
Current assets				
Stocks	9	715	605	
Debtors	10	34,674	33,300	
Cash at bank and in hand		9	5	
		35,398	33,910	
Creditors: amounts falling due within one year	11	(42,429)	(45,723)	
Net current assets		(7,031)	(11,813)	
Total assets less current liabilities		51,655	56,705	
Accruals and deferred income	12	(9,528)	(10,089)	
		42,127	46,616	
Capital reserves				
Revaluation reserve	14	11,630	11,630	
General Funds	14	30,497	34,986	
		42,127	46,616	

- 1 Accounting policies**
- 1.1 Accounting convention**
The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.
The company is dependent upon continuing finance being made available by the various government bodies to enable it to continue its charitable activities over future years. The Trustees of the Board believe that continuing finance will be available and that it is therefore appropriate to prepare the financial statements on the going concern basis. However, should continuing finance not be made available, the going concern basis would be inappropriate. This would require adjustments to be made to revalue assets to net realisable values, to provide for further liabilities which might arise and to reclassify fixed assets as current assets.
The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.
- 1.2 Turnover**
Turnover represents grants and donations from the government and other bodies, and sundry income from certain activities undertaken by the company.
- 1.3 Tangible fixed assets and depreciation**
Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:
Land and buildings freehold 5% per annum
Plant and machinery 15% per annum on a reducing balance basis
Fixtures, fitting & equipment 15% per annum on a reducing balance basis
Motor vehicles 25% per annum on a reducing balance basis
- 1.4 Stock**
Stock is valued at the lower of cost and net realisable value.
- 1.5 Pensions**
The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.
- 1.6 Government grants**
Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

The financial statements were approved by the Board on 28 August 2002



Dr A Mitchell - Chair
Director



J Saunders - Treasurer
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

2 Note to the Statement of Financial Activities

	Restricted Funds		Unrestricted Funds		Total	
	£	£	£	£	2001	2002
2.1 Direct Charitable Expenditure						
Staff costs	36,420		21,746		104,887	
Project expenses	2,656		62		10,012	
Other costs	42,787		12,755		85,356	
	<u>81,863</u>		<u>34,563</u>		<u>200,255</u>	
2.2 Fundraising and Publicity						
Advertising and publications	978		-		4,489	
Hospitality	287		9,615		6,449	
	<u>1,265</u>		<u>9,615</u>		<u>10,938</u>	
2.3 Management and Administration of the Charity						
Staff costs	15,947		100,532		130,340	
Motor and travel expenses	7,610		8,899		17,947	
Professional fees	4,001		1,890		3,438	
Other costs	8,442		43,850		45,708	
	<u>36,000</u>		<u>155,171</u>		<u>197,433</u>	
2.4 Total Resources Expended						
	Staff Costs	Depreciation	Other Costs		Total 2001	
	£	£	£	£	£	
Charitable projects	58,166	-	58,260		200,255	
Management and administration	116,479	9,090	66,835		196,249	
Fundraising and publicity	-	(1,233)	-		-	
	<u>274,645</u>	<u>7,857</u>	<u>135,975</u>		<u>407,442</u>	
Other Costs						
	2002	2001				
	£	£				
Premises	9,025	11,224				
Publicity and Fundraising	10,880	10,938				
Telephone and Postage	8,305	6,057				
Miscellaneous	107,765	134,142				
	<u>135,975</u>	<u>162,361</u>				

Miscellaneous costs includes all project and operational costs net of staff costs, depreciation and administrative expenses.

3 Fundamental Accounting Concept

The company is dependent upon continuing finance being made available by the various Government bodies to enable it to meet its liabilities as they fall due. The members of the Committee believe that continuing finance will be available and that it is therefore appropriate to prepare the financial statements on the going concern basis. However, should continuing finance not be made available, the going concern basis would be inappropriate. This would require adjustments to be made to revalue assets to net realisable values, to provide for further liabilities which might arise and to reclassify fixed assets as current assets.

4 Income

The major source of income is grants received from DOE and DANI. Other sources of income include support grants from NITB, NCLB, Newry & Mourne District Council, Banbridge District Council, Down District Council and Ulster Garden Villages Limited.

5 Operating surplus / (deficit)

Operating surplus / (deficit) is stated after charging:
 Loss / (profit) on disposal of fixed assets
 Depreciation of tangible assets
 Auditors' remuneration

	2002	2001
	£	£
	(1,233)	-
	9,090	9,841
	<u>1,645</u>	<u>1,400</u>

6 Other interest receivable and similar income

	2002	2001
Bank interest	£	£
	123	592

7 Interest payable and similar charges

	2002	2001
Bank charges	£	£
	1,105	337

NOTES TO THE FINANCIAL STATEMENTS

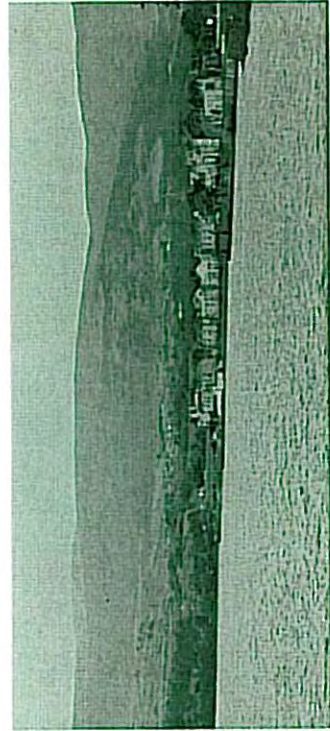
For the year ended 31 March 2002

8 Tangible fixed assets	Land and buildings Freehold £	Plant and machinery £	Fixtures fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2001	24,357	12,117	35,700	17,188	89,362
Additions	-	-	-	(2,500)	(2,500)
Disposals	-	-	-	14,688	14,688
At 31 March 2002	24,357	12,117	35,700	14,688	86,862
Depreciation					
At 1 April 2001	1,316	4,623	9,823	5,082	20,844
On disposals	-	-	-	(1,758)	(1,758)
Charge for the year	1,207	1,124	3,882	2,877	9,090
At 31 March 2002	2,523	5,747	13,705	6,201	28,176
Net book value					
At 31 March 2002	21,834	6,370	21,995	8,487	58,686
At 31 March 2002	23,041	7,494	25,877	12,106	68,518
9 Stocks				2002 £ 715	2001 £ 605
Finished goods and goods for resale					
10 Debtors				2002 £ 32,315 2,359 34,674	2001 £ 29,673 3,627 33,300
Other debtors					
Prepayments and accrued income					
11 Creditors: amounts falling due within one year				2002 £ 26,102 14,682 1,645 42,429	2001 £ 39,247 5,035 1,442 45,724
Bank loans and overdrafts					
Trade creditors					
Taxes and social security costs					
Accruals and deferred income					
12 Accruals and deferred income				2002 £ 10,089 (561) 9,528	2001 £ 10,650 (561) 10,089
Grants received during the year					
Amortisation in the year					
Balance at 31 March 2002					

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

13 Pension costs					
The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,621 (2001 - £17,197)					
14 Statement of movements on funds					
Balance at 1 April 2001	11,630	-	-	34,986	(4,489)
Retained deficit for the year	-	-	-	-	-
Balance at 31 March 2002	11,630	-	-	30,497	-
15 Reconciliation of movements on funds					
Surplus / (deficit) for the financial year - Restricted	-	-	(1,145)	-	(16,002)
Surplus / (deficit) for the financial year - Unrestricted	-	-	(3,344)	-	5,735
Surplus / (deficit) for the financial year	-	-	-	(4,489)	(10,267)
Opening funds - Restricted	31,345	-	-	-	47,347
Opening funds - Unrestricted	15,271	-	-	-	9,536
Closing funds - Restricted	30,200	-	-	46,616	56,883
Closing funds - Unrestricted	11,927	-	-	42,127	46,616
16 Contingent liabilities					
The company has a liability to refund grant monies received by it should it fail to comply with the relevant conditions as set out in the letter of offer.					
17 Transactions with directors					
Included in motor expenses is an amount of £543 being reimbursement of expenses to Mr James Saunders, Dr Arthur Mitchell and Mrs Rosemary Chestnutt, directors of the company.					
18 Employees					
Number of employees	2002 Number	2001 Number			
The average monthly number of employees (including directors) during the year was:					
Permanent staff	8	13			
DOE seconded staff	1	1			
	9	14			
Employment costs	2002 £	2001 £			
Wages and salaries	156,145	197,385			
Other pension costs	15,621	17,197			
	171,766	214,582			



Mission statement:

'to sustain and enhance the environment, rural regeneration, cultural heritage and visitor opportunities of the Mourne and Slieve Croob Area of Outstanding Natural Beauty and contribute to the well-being of Mourne's communities'



Caring for Mourne

MOURNE HERITAGE TRUST

is funded by:



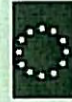
Northern Ireland
Tourist Board



Heritage Lottery Fund



COMMUNITY
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Ulster Garden
Villages Limited



DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

Our activities are also supported by:

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