

THE MEA TRUST

England & Wales · Charity number 1074895

Details

Status Registered

Legal form Charitable company

Company number [03721573](#)

Registered 1999-03-26

Register [View on the Charity Commission register](#)

Contact

Address The Mea Trust
C/o Armstrong Watson Llp
First Floor
1 Strawberry Lane
Newcastle Upon Tyne
NE1 4BX

Phone 01914340830

Email advice@joseph-miller.co.uk

Website www.meahouse.org.uk

Activities

Objects: FOR SUCH PURPOSES RECOGNISED BY THE LAW OF ENGLAND TO BE CHARITABLE AS THE TRUSTEES SHALL FROM TIME TO TIME SELECT

Activities: MEA House first opened in 1974 and currently has 23 tenants, which includes four tenants who are commercial entities involved with the voluntary sector. The majority of the offices are let to charities at below market rate.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£348,495	£889,326	-	-
2024-03-31	£357,044	£651,274	-	-
2023-03-31	£345,287	£528,899	-	-
2022-03-31	£332,407	£529,259	-	-
2021-03-31	£360,959	£415,275	-	-

Trustees

Name	Role	Appointed
Dr Teresa Mary Cairns Councillor		2019-09-17
JAMES LANE		2017-12-05
Michael Ian Spriggs		2018-03-27
STEPHEN THOMAS GILROY		2017-06-06
Simon Bowett		2021-03-16
WILLIAM MCKAY		2013-06-19

THE MEA TRUST

England & Wales - Charity number 1074895

Accounts

THE MEA TRUST
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2025

Registered company number 03721573
Registered charity number 1074895

**Armstrong Watson
Chartered Accountants
Newcastle upon Tyne**

THE MEA TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2025

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THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1074895 **Company number:** 03721573

Trustees

Mr W McKay
Mr S T Gilroy
Mr J Lane
Mr M I Spriggs, *Chair*
Cllr T Cairns
Mr S D Bowett

Secretary

Miss K Sweeney

Registered office

One Strawberry Lane
Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Independent examiner

Mr D R Gold
Armstrong Watson LLP
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Managing agent

Naylors Gavin Black LLP
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

THE MEA TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2025 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The MEA Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association (revised 28 September 2000, 13 June 2011, 2 May 2012 and 18 September 2018). It is a charity registered with the Charity Commission.

The full Trust Board meets at least twice in any one year and there is a subcommittee for Finance and Risk Management. The Annual General Meeting usually takes place in December.

The Trust currently has 6 trustees (The Memorandum states the Board will consist of at least 5 and not more than 15 individuals).

New trustees are appointed by the Trust Board with careful consideration to maintaining a wide range of relevant professional expertise on the Board to cover financial, legal and property matters. The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. The chairman is elected and his or her period of office is determined by the trustees.

The induction and training of trustees is dealt with according to individual need and is co-ordinated by the chairman. Usually, trustees have prior professional/charity knowledge and experience.

Naylors Gavin Black LLP had responsibility for the overall management of MEA House and all relevant regulatory compliance. They also have responsibility for corporate and company secretarial support and compliance.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to both lessen these risks and take advantage of key opportunities.

Key documents were reviewed at least annually: e.g. the full risk assessment report; tenant payment schedule and Trust investments and reserves; the health and safety policy statement and fire risk assessment (including the fire evacuation strategy).

Objectives and activities

The Trust has general charitable objectives with the power to let property to other charities at a rent less than the commercial rents in the market place.

MEA House was built to achieve the aim of providing charities with good quality accommodation in one centre with rents below the market level. The building provided approximately 27,000 square feet of office space which was let to a wide range of charities of varying size which supported local people of all ages.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees confirm that they have been given the general guidance produced by the Charity Commission on public benefit and are confident that this was achieved through the letting to charities and the hire of the meeting rooms to the voluntary sector.

Achievements and performance

Following the reluctant decision to sell MEA House as previously reported, the sale was completed on 31 July 2024, the building having been vacated by all tenants.

On 26 November 2024, after taking legal advice and undertaking an exercise to evaluate a number of options, the trustees resolved to dissolve the Trust and to transfer the remaining assets after provision has been made for all liabilities by way of Deed of Gift dated 31 March 2025 to The Rothley Trust, an unincorporated charity, registered number 219849. Steps are now being taken to close The MEA Trust charity.

Financial review

Until the sale of MEA House, the principal funding sources comprised rents and service charges. This rental income and the related MEA House running and refurbishment costs are shown in the statement of financial activities.

Following the sale of the building, the trustees resolved to dissolve the Trust and transfer the remaining assets to The Rothley Trust. The gift is shown as a donation in the statement of financial activities on page 6.

Reserves policy

The trustees had established a policy to maintain unrestricted funds not invested in fixed assets or designated for specific purposes (the free reserves) at an appropriate level to cover any gap that may arise between rental income and expenditure.

Going concern

The financial statements have been prepared on a basis other than that of the going concern basis following the sale of MEA House and the decision taken by the trustees to dissolve the Trust and transfer the remaining assets to The Rothley Trust.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has unrestricted power to invest funds in any manner after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

The listed investments were sold in the year and held as cash pending the decision to dissolve the Trust and transfer the remaining assets.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The MEA Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the trustees



[M I Spriggs \(Dec 4, 2025 09:38:20 GMT\)](#)

Mr M I Spriggs
Chairman
14 November 2025

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE MEA TRUST

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2025, which are set out on pages 6 to 14.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.


D R Gold (Dec 4, 2025 11:59:08 GMT)

D R GOLD FCA
Independent Examiner
Armstrong Watson LLP
Chartered Accountants
Newcastle upon Tyne

04/12/2025

THE MEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2025 £	Total 2024 £
Income from:						
Donations:						
<i>Grants</i>		-	-	-	-	5,000
Charitable activities:						
<i>Rents and service charges receivable</i>		11,734	-	-	11,734	345,203
Investments		10,878	-	-	10,878	6,841
Gain on disposal of fixed assets		325,883			325,883	-
Total income		348,495	-	-	348,495	357,044
Expenditure on:						
Raising funds		505	-	-	505	2,589
Charitable activities		113,025	-	-	113,025	648,685
Donation	4	775,796	-	-	775,796	-
Total expenditure	5	889,326	-	-	889,326	651,274
Net gains / (losses) on investments:						
Gains / (losses) on revaluation of investments	7	-	-	-	-	17,187
Realised (losses) / gains on disposal of investments		(664)	-	-	(664)	7,110
		(664)	-	-	(664)	24,297
Net expenditure	3	(541,495)	-	-	(541,495)	(269,933)
Transfers between funds		377,952	(181,710)	(196,242)	-	-
Net expenditure and net movement in funds		(163,543)	(181,710)	(196,242)	(541,495)	(269,933)
Reconciliation of funds						
Total funds brought forward		163,543	181,710	196,242	541,495	811,428
Total funds carried forward		-	-	-	-	541,495

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

The notes on pages 8 to 14 form part of these financial statements.

THE MEA TRUST

BALANCE SHEET

Company number: 03721573

AS AT 31 MARCH 2025

	Note	2025	2024
		£	£
Fixed assets			
Tangible assets	6	-	451,485
Investments	7	-	646,928
		<hr/>	<hr/>
Current assets			
Debtors	8	3,513	34,813
Cash at bank		785,980	53,277
		<hr/>	<hr/>
		789,493	88,090
Creditors: amounts falling due within one year	9	(789,493)	(188,969)
		<hr/>	<hr/>
Net current liabilities		-	(100,879)
Creditors: amounts falling due after more than one year	10	-	(4,554)
		<hr/>	<hr/>
Net assets		-	541,495
		<hr/>	<hr/>
The funds of the charity			
Endowment fund		-	196,242
Unrestricted income funds	11	-	163,543
Restricted income funds	12	-	181,710
		<hr/>	<hr/>
Total charity funds		-	541,495
		<hr/>	<hr/>

For the year ended 31 March 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 14 November 2025.


M I Spriggs (Dec 4, 2025 09:38:20 GMT)

Mr M I Spriggs
Chairman

The notes on pages 8 to 14 form part of these financial statements

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Legal status of the charity

The charity is a company limited by guarantee, has no share capital and is registered in England and Wales. The address of the registered office is MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The MEA Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Going concern basis

As explained in the trustees' report, following the sale of MEA House and the decision taken by the trustees to dissolve the Trust and transfer the remaining assets after provision has been made for all liabilities to The Rothley Trust by way of Deed of Gift, the financial statements have been prepared on a basis other than that of the going concern basis.

c) Fund structure

i) Endowment Fund

This represented the capital expended in funding the original cost of MEA House. The fund was reduced annually by a transfer equivalent to the depreciation of the original cost of MEA House.

ii) Designated funds

The following designated fund was unrestricted funds earmarked by the trustees for specific purposes:

Repair and Refurbishment Fund

The purpose of this fund was to meet major repair expenditure out of a fund accumulated by annual transfers from rents received at the discretion of the trustees. Following the sale of the building, the remaining balance was transferred to the General Fund.

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies *(continued)*

c) Fund structure *(continued)*

iii) Restricted funds

Grants and donations obtained for specific purposes are recognised in the financial statements as restricted funds, together with attributable investment income.

Refurbishment Fund

The Refurbishment Fund met expenditure relating to a major refurbishment of the building. The fund was reduced annually by the depreciation of the refurbishment cost of MEA House.

d) Fixed assets and depreciation

Tangible fixed assets were included in the financial statements at their historical cost. The building was held for use for the supply of accommodation to other charities at less than market rent. The trustees therefore did not consider MEA House to be an investment property requiring inclusion in the financial statements at fair value.

Depreciation was provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used were as follows:

Building: original cost	- straight line over 75 years
Building: refurbishment	- straight line over 25 years
Furniture and equipment	- 20% per annum reducing balance

e) Investments

Investments were a form of financial instrument and initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Gains or losses arising on revaluation or disposal were recognised in the statement of financial activities in the funds in which the investments were held.

f) Cash at bank

Cash at bank included instant access COIF Charities Deposit Fund accounts.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h) Financial instruments

The charity only had financial instruments and financial liabilities of a kind that qualified as basic financial instruments. Basic financial instruments were initially measured at transaction value and subsequently measured at their settlement value, with the exception of the mortgage loan which was measured at amortised cost using the effective interest method.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

i) Income recognition

All income is included in the statement of financial activities when 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.

The following specific policies are applied to particular categories of income:

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which can not be recovered.

Costs of expenditure on raising funds comprise the costs incurred in raising income from grants and donations. Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 5 to the accounts.

k) Pensions

Employees of the charity were entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 5. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

3. Net expenditure

	2025	2024
	£	£
Net expenditure for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	1,130	1,130
Accountancy services	7,210	11,806
Depreciation of tangible fixed assets	183	180,284

4. Donation

	Unrestricted	Restricted	2025	2024
	£	£	£	£
The Rothley Trust	775,796	-	775,796	-

On 31 March 2025, the charity transferred all of its remaining assets to The Rothley Trust (an unincorporated charity) by way of Deed of Gift.

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. Total expenditure	Raising funds	Charitable activities	Governance costs	Total 2025	Total 2024
	£	£	£	£	£
Direct costs					
Donation (<i>note 4</i>)	-	775,796	-	775,796	-
Staff costs	-	11,419	-	11,419	74,673
Property running and refurbishment costs	-	85,185	-	85,185	351,402
Depreciation and loss on disposal	-	2,741	-	2,741	180,284
Loan interest	-	406	-	406	852
Legal and professional fees	-	2,048	2,000	4,048	26,945
Independent examination and accountancy	-	2,050	6,290	8,340	12,936
Investment management costs	505	-	-	505	2,589
Trustees' indemnity insurance	-	-	886	886	1,593
	<u>505</u>	<u>879,645</u>	<u>9,176</u>	<u>889,326</u>	<u>651,274</u>
Governance costs		9,176			
Total expenditure on charitable activities		<u>888,821</u>			

Staff costs and numbers:	2025	2024
	£	£
Wages and salaries	10,594	51,126
Redundancy and ex gratia	-	19,188
Social security costs	622	3,597
Pension costs	203	762
	<u>11,419</u>	<u>74,673</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were £Nil (2024: £Nil). There are no employees with emoluments above £60,000 per annum. No trustees, or any person related or connected by business to them, received any remuneration from the charity during the year.

The aggregate amount of expenses reimbursed to the trustees during the year was £Nil (2024: £Nil). The number of trustees reimbursed for travelling expenses was nil (2024: nil).

The average number of employees during the year, analysed by function was as follows:	2025	2024
Building services, security and cleaning	<u>1</u>	<u>3</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6. Tangible fixed assets	MEA House £	Furniture and equipment £	Total £
Cost			
At 1 April 2024	3,805,961	35,595	3,841,556
Additions	-	-	-
Disposals	(3,805,961)	(35,595)	(3,841,556)
At 31 March 2025	-	-	-
Depreciation			
At 1 April 2024	3,357,217	32,854	3,390,071
Charge for year	-	183	183
On disposals	(3,357,217)	(33,037)	(3,390,254)
At 31 March 2025	-	-	-
Net book value			
At 31 March 2025	-	-	-
At 1 April 2024	448,744	2,741	451,485

MEA House was sold on 31 July 2024.

7. Fixed asset investments	Total 2025 £	Total 2024 £
<i>Listed investments:</i>		
Market value at 1 April 2024	188,739	307,096
Additions at cost	-	37,255
Disposals at carrying value	(188,739)	(172,799)
Net gains / (losses) on revaluation	-	17,187
Market value at 31 March 2025	-	188,739
<i>Cash available for reinvestment:</i>	-	6,704
<i>Total</i>	-	195,443

8. Debtors	2025 £	2024 £
Rents and service charge arrears	-	1,225
Other debtors	1,303	2,735
Value added tax	2,210	10,939
Prepayments	-	19,914
	3,513	34,813

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. Creditors: amounts falling due within one year	2025	2024
	£	£
Loan	-	6,072
Rents and service charges in advance	-	7,980
Other creditors	782,290	132,019
Accruals	7,203	42,898
	<u>789,493</u>	<u>188,969</u>

10. Creditors: amounts falling due after more than one year	2025	2024
	£	£
Loan	-	4,554

The loan was repaid in full on 22 May 2025.

Analysis of debt maturity:	2025	2024
Amounts payable:	£	£
Within one year (Note 9)	-	6,072
Between one and two years	-	4,554
	<u>-</u>	<u>10,626</u>

11. Unrestricted funds	Balance at 1 April 2024	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2025
	£	£	£	£	£	£
General Fund	-	348,495	(889,326)	541,495	(664)	-
Designated funds:						
Repair and Refurbishment Fund	163,543	-	-	(163,543)	-	-
	<u>163,543</u>	<u>348,495</u>	<u>(889,326)</u>	<u>377,952</u>	<u>(664)</u>	<u>-</u>

<i>Unrestricted funds - previous year</i>	Balance at 1 April 2023	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2024
	£	£	£	£	£	£
General Fund	-	353,048	(480,183)	127,135	-	-
Designated funds:						
Repair and Refurbishment Fund	259,434	3,996	(1,757)	(122,427)	24,297	163,543
	<u>259,434</u>	<u>357,044</u>	<u>(481,940)</u>	<u>4,708</u>	<u>24,297</u>	<u>163,543</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12. Restricted funds	Balance at 1 April 2024	Income	Expenditure	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Refurbishment Fund	181,710	-	-	(181,710)	-
	181,710	-	-	(181,710)	-

<i>Restricted funds - previous year</i>	Balance at 1 April 2023	Income	Expenditure	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Refurbishment Fund	294,450	-	(118,334)	5,594	181,710
	294,450	-	(118,334)	5,594	181,710

13. Analysis of net assets between funds

	Tangible fixed assets	Fixed asset investments	Net current liabilities	Long term liabilities	Total 2025	Total 2024
	£	£	£	£	£	£
Endowment Fund	-	-	-	-	-	196,242
Unrestricted funds						
General Fund	-	-	-	-	-	-
Designated funds:						
Repair and Refurbishment Fund	-	-	-	-	-	163,543
Restricted funds						
Refurbishment Fund	-	-	-	-	-	181,710
	-	-	-	-	-	541,495

Analysis of net assets between funds - prior year

	Tangible fixed assets	Fixed asset investments	Net current assets	Long term liabilities	Total 2024	Total 2023
	£	£	£	£	£	£
Endowment Fund	271,242	-	(75,000)	-	196,242	257,544
Unrestricted funds						
General Fund	2,741	-	6,021	(8,762)	-	-
Designated funds:						
Repair and Refurbishment Fund	-	195,443	(31,900)	-	163,543	259,434
Restricted funds						
Refurbishment Fund	177,502	-	-	4,208	181,710	294,450
	451,485	195,443	(100,879)	(4,554)	541,495	811,428

THE MEA TRUST

England & Wales - Charity number 1074895

Accounts

THE MEA TRUST
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2024

Registered company number 03721573
Registered charity number 1074895

**Armstrong Watson
Chartered Accountants
Newcastle upon Tyne**

THE MEA TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2024

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THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1074895 **Company number:** 03721573

Trustees

Ms G Mandell (resigned on 31 August 2023)
Mr W McKay
Mr S T Gilroy
Mr J Lane
Mr M I Spriggs, *Chair*
Mrs J Urron (resigned on 11 July 2023)
Cllr T Cairns
Mr S D Bowett

Secretary

Miss K Sweeney

Registered office	Independent examiner
MEA House Ellison Place Newcastle upon Tyne NE1 8XS	Mr D R Gold Armstrong Watson LLP One Strawberry Lane Newcastle upon Tyne NE1 4BX

Investment advisers	Managing agent
RBC Brewin Dolphin Time Central Gallowgate Newcastle upon Tyne NE1 4SR	Naylors Gavin Black LLP One Strawberry Lane Newcastle upon Tyne NE1 4BX

THE MEA TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2024 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The MEA Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association (revised 28 September 2000, 13 June 2011, 2 May 2012 and 18 September 2018). It is a charity registered with the Charity Commission.

The full Trust Board meets at least twice in any one year and there is a subcommittee for Finance and Risk Management. The Annual General Meeting usually takes place in December.

The Trust currently has 6 trustees (The Memorandum states the Board will consist of at least 5 and not more than 15 individuals).

New trustees are appointed by the Trust Board with careful consideration to maintaining a wide range of relevant professional expertise on the Board to cover financial, legal and property matters. The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. The chairman is elected and his or her period of office is determined by the trustees.

The induction and training of trustees is dealt with according to individual need and is co-ordinated by the chairman. Usually, trustees have prior professional/charity knowledge and experience.

Naylors Gavin Black LLP have responsibility for the overall management of MEA House and all relevant regulatory compliance. They also have responsibility for corporate and company secretarial support and compliance.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to both lessen these risks and take advantage of key opportunities.

Key documents are reviewed at least annually: e.g. the full risk assessment report; tenant payment schedule and Trust investments and reserves; the health and safety policy statement and fire risk assessment (including the fire evacuation strategy).

Objectives and activities

The Trust has general charitable objectives with the power to let property to other charities at a rent less than the commercial rents in the market place.

MEA House was built to achieve the aim of providing charities with good quality accommodation in one centre with rents below the market level. The building provided approximately 27,000 square feet of office space which was let to a wide range of charities of varying size which supported local people of all ages.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees confirm that they have been given the general guidance produced by the Charity Commission on public benefit and are confident that this was achieved through the letting to charities and the hire of the meeting rooms to the voluntary sector.

Achievements and performance

Following on from the reluctant decision to sell MEA House as reported in the last filed accounts, the sale was completed on 31 July 2024, the building having been vacated by all tenants.

The trustees are in the process of considering the future of the Trust and its assets, which are now all cash, with the help of its professional advisors and Connected Voice.

The trustees are hoping to make a decision by the year end.

Financial review

The principal funding source in the year ended 31 March 2024 comprised rents and service charges. This rental income and the related MEA House running and refurbishment costs are shown in the statement of financial activities.

Following the sale of the building, the Trust has minimal ongoing liabilities and the assets are held as cash pending the decision as to the future of the Trust.

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets or designated for specific purposes (the free reserves) at an appropriate level to cover any gap that may arise between rental income and expenditure. There were no free reserves at 31 March 2024 (2023: £Nil). The trustees will review both the policy and the reserves position on a regular basis.

The balance sheet shows that the Trust holds unrestricted income funds of £163,543 and all of this is held as designated funds for the purposes explained in the accounting policies note to the financial statements on page 9. The balance on this fund is shown in note 11.

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.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has unrestricted power to invest funds in any manner after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification. There is discretionary management of investments by RBC Brewin Dolphin, our Investment Advisers within the context of clearly defined parameters.

After the year end, most of the listed investments were sold and held as cash until the future of the Trust has been decided upon.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Statement of trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The MEA Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the trustees

Mr M I Spriggs
Chairman
26 November 2024

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE MEA TRUST

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2024, which are set out on pages 6 to 14.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

D R GOLD FCA
Independent Examiner
Armstrong Watson LLP
Chartered Accountants
Newcastle upon Tyne

27 November 2024

THE MEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2024 £	Total 2023 £
Income from:						
Donations:						
<i>Grants</i>	4	5,000	-	-	5,000	5,000
Charitable activities:						
<i>Rents and service charges receivable</i>		345,203	-	-	345,203	333,452
Investments		6,841	-	-	6,841	6,835
Total income		357,044	-	-	357,044	345,287
Expenditure on:						
Raising funds		2,589	-	-	2,589	2,753
Charitable activities		479,351	118,334	51,000	648,685	526,146
Total expenditure	5	481,940	118,334	51,000	651,274	528,899
Net gains / (losses) on investments:						
Gains / (losses) on revaluation of investments	7	17,187	-	-	17,187	(25,415)
Realised gains / (losses) on disposal of investments		7,110	-	-	7,110	(4,350)
		24,297	-	-	24,297	(29,765)
Net expenditure	3	(100,599)	(118,334)	(51,000)	(269,933)	(213,377)
Transfers between funds		4,708	5,594	(10,302)	-	-
Net expenditure and net movement in funds		(95,891)	(112,740)	(61,302)	(269,933)	(213,377)
Reconciliation of funds						
Total funds brought forward		259,434	294,450	257,544	811,428	1,024,805
Total funds carried forward		163,543	181,710	196,242	541,495	811,428

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

THE MEA TRUST

BALANCE SHEET

Company number: 03721573

AS AT 31 MARCH 2024

	Note		2024		2023
		£	£	£	£
Fixed assets					
Tangible assets	6	451,485		555,874	
Investments	7	195,443	646,928	318,152	874,026
Current assets					
Debtors	8	34,813		24,215	
Cash at bank		53,277		85,105	
		88,090		109,320	
Creditors: amounts falling due within one year	9	(188,969)		(161,595)	
Net current liabilities			(100,879)		(52,275)
Creditors: amounts falling due after more than one year	10		(4,554)		(10,323)
Net assets			541,495		811,428
The funds of the charity					
Endowment fund			196,242		257,544
Unrestricted income funds	11		163,543		259,434
Restricted income funds	12		181,710		294,450
Total charity funds			541,495		811,428

For the year ended 31 March 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 26 November 2024.

Mr M I Spriggs
Chairman

The notes on pages 8 to 14 form part of these financial statements

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Legal status of the charity

The charity is a company limited by guarantee, has no share capital and is registered in England and Wales. The address of the registered office is MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The MEA Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Preparation of the accounts on a going concern basis

The charity has reviewed its cash flow forecasts and expects to have adequate resources to continue in operational existence following the sale of the building on 31 July 2024. The trustees are considering the future of the charity and cannot at this stage confirm that it will continue as a going concern. There are no adjustments that would be necessary to the financial statements if they were not prepared on a going concern basis.

c) Fund structure

i) Endowment Fund

This represents the capital provided to fund the original cost of MEA House. The fund is reduced annually by a transfer equivalent to the depreciation of the original cost of MEA House.

ii) Designated funds

The following designated fund is unrestricted funds earmarked by the trustees for specific purposes:

Repair and Refurbishment Fund

The purpose of this fund is to meet major repair expenditure out of a fund accumulated by annual transfers from rents received at the discretion of the trustees. During the year, an amount was also transferred to the General Fund to make good its accumulated deficit.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

c) Fund structure (continued)

iii) Restricted funds

Grants and donations obtained for specific purposes are recognised in the financial statements as restricted funds, together with attributable investment income.

Refurbishment Fund

The Refurbishment Fund was established to meet expenditure relating to a major refurbishment of the building. The fund is reduced annually by the depreciation of the refurbishment cost of MEA House.

d) Fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost. The building is held for use for the supply of accommodation to other charities at less than market rent. The trustees therefore do not consider MEA House to be an investment property requiring inclusion in the financial statements at fair value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used are as follows:

Building: original cost	- straight line over 75 years
Building: refurbishment	- straight line over 25 years
Furniture and equipment	- 20% per annum reducing balance

e) Investments

Investments are a form of financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

f) Cash at bank

Cash at bank includes an instant access COIF Charities Deposit Fund accounts.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h) Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value, with the exception of the mortgage loan which is measured at amortised cost using the effective interest method.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

i) Income recognition

All income is included in the statement of financial activities when 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.

The following specific policies are applied to particular categories of income:

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which can not be recovered.

Costs of expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 5 to the accounts.

k) Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 5. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

3. Net expenditure

	2024	2023
	£	£
Net expenditure for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	1,130	1,074
Accountancy services	11,806	9,593
Depreciation of tangible fixed assets	180,284	129,050

4. Grants

	Unrestricted	Restricted	2024	2023
	£	£	£	£
The W A Handley Charity Trust	1,000	-	1,000	1,000
Newcastle City Council	4,000	-	4,000	4,000
	5,000	-	5,000	5,000

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

5. Total expenditure	Raising funds	Charitable activities	Governance costs	Total 2024	Total 2023
	£	£	£	£	£
Direct costs					
Staff costs	-	74,673	-	74,673	55,544
Property running and refurbishment costs	-	351,402	-	351,402	310,465
Depreciation and loss on disposal	-	180,284	-	180,284	129,050
Loan interest	-	852	-	852	647
Legal and professional fees	-	21,445	5,500	26,945	18,243
Independent examination and accountancy	-	4,900	8,036	12,936	10,667
Investment management costs	2,589	-	-	2,589	2,753
Trustees' indemnity insurance	-	-	1,593	1,593	1,530
	<u>2,589</u>	<u>633,556</u>	<u>15,129</u>	<u>651,274</u>	<u>528,899</u>
 Governance costs		 15,129			
 Total expenditure on charitable activities		 <u>648,685</u>			

Staff costs and numbers:	2024	2023
	£	£
Wages and salaries	51,126	51,060
Redundancy and ex gratia	19,188	-
Social security costs	3,597	3,385
Pension costs	762	1,099
	<u>74,673</u>	<u>55,544</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were £Nil (2023: £Nil). There are no employees with emoluments above £60,000 per annum. No trustees, or any person related or connected by business to them, received any remuneration from the charity during the year.

The aggregate amount of expenses reimbursed to the trustees during the year was £Nil (2023: £Nil). The number of trustees reimbursed for travelling expenses was nil (2023: nil).

The average number of employees during the year, analysed by function was as follows:	2024	2023
Building services, security and cleaning	<u>3</u>	<u>4</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6. Tangible fixed assets	MEA House	Furniture and equipment	Total
Cost	£	£	£
At 1 April 2023	3,730,961	34,700	3,765,661
Additions	75,000	895	75,895
Disposals	-	-	-
At 31 March 2024	<u>3,805,961</u>	<u>35,595</u>	<u>3,841,556</u>
Depreciation			
At 1 April 2023	3,177,581	32,206	3,209,787
Charge for year	179,636	648	180,284
On disposals	-	-	-
At 31 March 2024	<u>3,357,217</u>	<u>32,854</u>	<u>3,390,071</u>
Net book value			
At 31 March 2024	<u>448,744</u>	<u>2,741</u>	<u>451,485</u>
At 1 April 2023	<u>553,380</u>	<u>2,494</u>	<u>555,874</u>

MEA House The property was subject to a 99 year ground lease granted by the City of Newcastle upon Tyne on 25 September 1975. A new lease with a term of 125 years was completed on 30 May 2023 following surrender of the existing lease.

7. Fixed asset investments	Total 2024	Total 2023
<i>Listed investments:</i>	£	£
Market value at 1 April 2023	307,096	357,670
Additions at cost	37,255	25,000
Disposals at carrying value	(172,799)	(50,159)
Net gains / (losses) on revaluation	17,187	(25,415)
Market value at 31 March 2024	<u>188,739</u>	<u>307,096</u>
<i>Cash available for reinvestment:</i>	6,704	11,056
<i>Total</i>	<u>195,443</u>	<u>318,152</u>

The charity funds are subject to the price and yield volatility of the investment portfolio, but this is considered necessary to achieve a higher total return in the longer term.

8. Debtors	2024	2023
	£	£
Rents and service charge arrears	1,225	7,837
Other debtors	2,735	1,052
Value added tax	10,939	-
Prepayments	19,914	15,001
Accrued income	-	325
	<u>34,813</u>	<u>24,215</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

9. Creditors: amounts falling due within one year	2024	2023
	£	£
Loan	6,072	5,899
Rents and service charges in advance	7,980	29,564
Other creditors	132,019	93,771
Value added tax	-	5
Accruals	42,898	32,356
	<hr/>	<hr/>
	188,969	161,595

10. Creditors: amounts falling due after more than one year	2024	2023
	£	£
Loan	4,554	10,323
	<hr/>	<hr/>

Financial instruments measured at amortised cost comprise the loan financing provided by Newcastle Building Society. The loan was repaid in full on 22 May 2024.

Analysis of debt maturity:	2024	2023
Amounts payable:	£	£
Within one year (Note 9)	6,072	5,899
Between one and two years	4,554	10,323
	<hr/>	<hr/>
	10,626	16,222

11. Unrestricted funds	Balance at	Income	Expenditure	Transfers	Investment	Balance at
	1 April				gains	31 March
	2023				(losses)	2024
	£	£	£	£	£	£
General Fund	-	353,048	(480,183)	127,135	-	-
Designated funds:						
Repair and Refurbishment Fund	259,434	3,996	(1,757)	(122,427)	24,297	163,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	259,434	357,044	(481,940)	4,708	24,297	163,543

<i>Unrestricted funds - previous year</i>	Balance at	Income	Expenditure	Transfers	Investment	Balance at
	1 April				gains	31 March
	2022				(losses)	2023
	£	£	£	£	£	£
General Fund	(4,114)	340,683	(390,681)	54,112	-	-
Designated funds:						
Repair and Refurbishment Fund	354,570	4,604	(19,884)	(50,091)	(29,765)	259,434
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	350,456	345,287	(410,565)	4,021	(29,765)	259,434

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

12. Restricted funds	Balance at 1 April 2023	Income	Expenditure	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Refurbishment Fund	294,450	-	(118,334)	5,594	181,710
	294,450	-	(118,334)	5,594	181,710
<i>Restricted funds - previous year</i>	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Refurbishment Fund	406,504	-	(118,334)	6,280	294,450
	406,504	-	(118,334)	6,280	294,450

13. Analysis of net assets between funds

	Tangible fixed assets	Fixed asset investments	Net current liabilities	Long term liabilities	Total 2024	Total 2023
	£	£	£	£	£	£
Endowment Fund	271,242	-	(75,000)	-	196,242	257,544
Unrestricted funds						
General Fund	2,741	-	6,021	(8,762)	-	-
Designated funds:						
Repair and Refurbishment Fund	-	195,443	(31,900)	-	163,543	259,434
Restricted funds						
Refurbishment Fund	177,502	-	-	4,208	181,710	294,450
	451,485	195,443	(100,879)	(4,554)	541,495	811,428

Analysis of net assets between funds - prior year

	Tangible fixed assets	Fixed asset investments	Net current assets	Long term liabilities	Total 2023	Total 2022
	£	£	£	£	£	£
Endowment Fund	257,544	-	-	-	257,544	267,845
Unrestricted funds						
General Fund	2,494	-	6,443	(8,937)	-	(4,114)
Designated funds:						
Repair and Refurbishment Fund	-	318,152	(58,718)	-	259,434	354,570
Restricted funds						
Refurbishment Fund	295,836	-	-	(1,386)	294,450	406,504
	555,874	318,152	(52,275)	(10,323)	811,428	1,024,805

14. Events after the balance sheet date - non adjusting event

On 31 July 2024, The MEA Trust disposed of its long leasehold interest in the building to Northumbria University for £805,000.

THE MEA TRUST

England & Wales - Charity number 1074895

Accounts

THE MEA TRUST
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2023

Registered company number 03721573
Registered charity number 1074895

**Armstrong Watson
Chartered Accountants
Newcastle upon Tyne**

THE MEA TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2023

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THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1074895 **Company number:** 03721573

Website: www.meahouse.org.uk

Trustees

Mr I Burke (resigned on 31 December 2022)
Ms G Mandell (resigned on 31 August 2023)
Mr W McKay
Mr S T Gilroy
Mr J Lane
Mr M I Spriggs *Chair*
Mrs J Urron (resigned on 11 July 2023)
Cllr T Cairns
Mr S D Bowett

Secretary

Miss K Sweeney

Registered office Independent examiner

MEA House	Mr D R Gold
Ellison Place	Armstrong Watson LLP
Newcastle upon Tyne	One Strawberry Lane
NE1 8XS	Newcastle upon Tyne
	NE1 4BX

Investment advisers Managing agent

Rbc Brewin Dolphin	Naylors Gavin Black LLP
Time Central	Hadrian House
Gallowgate	8 Higham Place
Newcastle upon Tyne	Newcastle upon Tyne
NE1 4SR	NE1 8AF

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The MEA Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association (revised 28 September 2000, 13 June 2011, 2 May 2012 and 18 September 2018). It is a charity registered with the Charity Commission.

The full Trust Board meets at least twice in any one year and there is a subcommittee for Finance and Risk Management. The Annual General Meeting usually takes place in December.

The Trust currently has 6 trustees (The Memorandum states the Board will consist of at least 5 and not more than 15 individuals).

New trustees are appointed by the Trust Board with careful consideration to maintaining a wide range of relevant professional expertise on the Board to cover financial, legal and property matters. The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. The chairman is elected and his or her period of office is determined by the trustees.

The induction and training of trustees is dealt with according to individual need and is co-ordinated by the chairman. Usually, trustees have prior professional/charity knowledge and experience.

Since the departure of the Trust director, Naylor's have successfully assumed responsibility for the overall management of MEA House and all relevant regulatory compliance. They have also assumed responsibility for corporate and company secretarial support and compliance.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to both lessen these risks and take advantage of key opportunities.

Key documents are reviewed at least annually: e.g. the full risk assessment report; tenant payment schedule and Trust investments and reserves; the health and safety policy statement and fire risk assessment (including the fire evacuation strategy).

Objectives and activities

The Trust has general charitable objectives with the power to let property to other charities at a rent less than the commercial rents in the market place. Its mission statement, agreed at the EGM in January 2011, was varied at a Board meeting held on 8 December 2015 "To promote and support the development of the charitable, voluntary and community sectors in the North East". This was one of the agreed outcomes from the strategic review and is currently being implemented within the delivery of the overall business plan which is now nearing completion.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities *(continued)*

At the EGM in January 2011, the trustees reviewed their objectives and stated their new proposed objectives which continue to sit alongside their present Articles:

- i) To secure and maintain full occupancy of MEA House, preferably with registered charities as tenants, but also welcoming Social Enterprise and CIC type organisations. Outright commercial tenants should be sought only if space still remains unoccupied. As a consequence, maintaining full occupancy of MEA House is a priority and has been addressed in the business plan with a view to allowing commercial tenants into MEA House.
- ii) To deliver best value in relation to the costs of operation, consistent with the objective of providing good quality serviced office accommodation at an appropriate cost.
- iii) To promote and increase awareness of MEA House, especially in the Third Sector.
- iv) To further explore existing, and consider developing new, facilities and skills to generate additional income.

Following the amendment by Special Resolution at an Extraordinary Meeting on 27 March 2012, the Deed of Covenant under which MEA House operates has now, with the permission of Newcastle City Council, been formally varied to provide for the inclusion of the following types of organisation which have been added to the definition of ‘approved organisations’:

- Community Interest Companies (CICs)
- Industrial and Provident Societies (regulated under the Industrial and Provident Societies Act 1965)
- Other forms of Social Enterprise with the consent of the Landlord (In this context, the definition of Landlord has been clarified as being Newcastle City Council).

MEA House was built to achieve the aim of providing charities with good quality accommodation in one centre with rents below the market level. The building provides approximately 27,000 square feet of office space which is let to a wide range of charities of varying size which support local people of all ages.

The trustees confirm that they have been given the general guidance produced by the Charity Commission on public benefit and are confident that it is achieved through the letting to charities and the hire of the meeting rooms to the voluntary sector.

Achievements and performance

During the year, the usual pattern of trustees’ meetings was maintained, the more recent being in person once again. The work of the Finance Sub Committee continues to be key.

Progress has been made with the headlease negotiations with the City Council and a new lease with a term of 125 years was completed on 30 May 2023.

MEA House re-opened for business as usual during the year. Occupation remains very high and usage has returned to near normal levels. Again, the trustees wish to record their gratitude to tenants and all involved in the charity, particularly staff, for their continued support which has enabled the charity to finish the year in a better position than it might otherwise have been. Nevertheless, there has been a significant deficit in the year, which the trustees are working to address.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance *(continued)*

Subsequent to the year end, the Trustees were made aware of the interest of Northumbria University in acquiring MEA House as a special purchaser. By that time, it was becoming apparent that the forecast costs of running and maintaining the building would require increases in rent which would not be competitive in the office market in Newcastle. After taking professional advice, the Trustees decided to sell the building.

This decision was taken with considerable sadness but acknowledging that continued ownership of MEA House was unsustainable.

A process of informing staff and tenants was undertaken, the flexibility of the agreement with the University enabling lengthy notice terms and limited help with moving costs. Help has also been given to tenants in finding alternative accommodation.

Completion of the sale is due in early summer 2024 and the Trustees are currently engaged in considering the future of the Trust and its residual assets.

Financial review

The principal funding source comprises rents and service charges. This rental income and the related MEA House running and refurbishment costs are shown in the statement of financial activities.

No transfer has been made out of rents received (as referred to in note 2 c) ii)) into the Repair and Refurbishment Fund (no transfer was made in 2022).

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets or designated for specific purposes (the free reserves) at an appropriate level to cover any gap that may arise between rental income and expenditure. There were no free reserves at 31 March 2023 (2022: £Nil). The trustees will review both the policy and the reserves position on a regular basis.

To fulfil the charitable objects of the MEA Trust in the provision of good quality accommodation to charitable organisations, the trustees have established a policy of setting aside unrestricted income received to designated reserves, the purpose of which is to fund the replacement of major items of plant and to help meet future major refurbishment expenditure on MEA House.

The balance sheet shows that the Trust holds unrestricted income funds of £259,434 and all of this is held as designated funds for the purposes explained in the accounting policies note to the financial statements on page 9. The balance on this fund is shown in note 11.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has unrestricted power to invest funds in any manner after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification. There is discretionary management of investments within the context of clearly defined parameters.

Brewin Dolphin, our Investment Advisers, have identified 10 risk categories. The trustees have agreed that Risk Category 6 is most suitable for the MEA Trust portfolio. The strategic benchmark associated with this risk profile has the following asset allocation: Equities, 68.5%, Fixed Income, 17%, Alternatives, 12% and Cash 2.5%.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees are prepared to have a significant majority of the charity's investments in equities with the aim of achieving a higher investment return over the long term. The allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. The trustees are prepared to accept fluctuations in the value of the portfolios to achieve the investment goals.

The investment policy is reviewed at least annually with direct reference to the long term financial plan and long term property review. The Finance Committee meet with the investment manager and managing agent and report to the trustees on a regular basis.

The combined total return on investments, before fees, was -6.2% (2022: 8.7%) and the benchmark for the year was -1.4% (2022 benchmark: 8.7%).

Statement of trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The MEA Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the trustees

Mr M I Spriggs
Chairman
12 December 2023

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE MEA TRUST

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023, which are set out on pages 7 to 15.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

D R GOLD FCA
Independent Examiner
Armstrong Watson LLP
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

12 December 2023

THE MEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2023 £	Total 2022 £
Income from:						
Donations:						
<i>Grants</i>	4	5,000	-	-	5,000	12,494
Charitable activities:						
<i>Rents and service charges receivable</i>		333,452	-	-	333,452	315,221
Investments		6,835	-	-	6,835	4,692
Total income		345,287	-	-	345,287	332,407
Expenditure on:						
Raising funds		2,753	-	-	2,753	3,101
Charitable activities		407,812	118,334	-	526,146	526,158
Total expenditure	5	410,565	118,334	-	528,899	529,259
Net (losses) / gains on investments:						
(Losses) / gains on revaluation of investments						
	7	(25,415)	-	-	(25,415)	138
Realised (losses) / gains on disposal of investments						
		(4,350)	-	-	(4,350)	751
		(29,765)	-	-	(29,765)	889
Net expenditure	3	(95,043)	(118,334)	-	(213,377)	(195,963)
Transfers between funds		4,021	6,280	(10,301)	-	-
Net expenditure and net movement in funds		(91,022)	(112,054)	(10,301)	(213,377)	(195,963)
Reconciliation of funds						
Total funds brought forward		350,456	406,504	267,845	1,024,805	1,220,768
Total funds carried forward		259,434	294,450	257,544	811,428	1,024,805

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

THE MEA TRUST

BALANCE SHEET

Company number: 03721573

AS AT 31 MARCH 2023

	Note		2023		2022
		£	£	£	£
Fixed assets					
Tangible assets	6	555,874		683,926	
Investments	7	<u>318,152</u>	874,026	<u>370,670</u>	1,054,596
Current assets					
Debtors	8	24,215		39,886	
Cash at bank		<u>85,105</u>		<u>89,674</u>	
		109,320		129,560	
Creditors: amounts falling due within one year	9	<u>(161,595)</u>		<u>(142,658)</u>	
Net current liabilities			(52,275)		(13,098)
Creditors: amounts falling due after more than one year	10		(10,323)		(16,693)
Net assets			<u>811,428</u>		<u>1,024,805</u>
The funds of the charity					
Endowment fund			257,544		267,845
Unrestricted income funds	11		259,434		350,456
Restricted income funds	12		294,450		406,504
Total charity funds			<u>811,428</u>		<u>1,024,805</u>

For the year ended 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 12 December 2023.

Mr M I Spriggs
Chairman

The notes on pages 9 to 15 form part of these financial statements

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Legal status of the charity

The charity is a company limited by guarantee, has no share capital and is registered in England and Wales. The address of the registered office is MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The MEA Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Preparation of the accounts on a going concern basis

The charity has reviewed its cash flow forecasts and expects to have adequate resources to continue in operational existence until vacant possession of the building is reached at the end of August 2024. The trustees are considering the future of the charity and cannot at this stage confirm that it will continue as a going concern after that date. There are no adjustments that would be necessary to the financial statements if they were not prepared on a going concern basis.

c) Fund structure

i) Endowment Fund

This represents the capital provided to fund the original cost of MEA House. The fund is reduced annually by a transfer equivalent to the depreciation of the original cost of MEA House.

ii) Designated funds

The following designated fund is unrestricted funds earmarked by the trustees for specific purposes:

Repair and Refurbishment Fund

The purpose of this fund is to meet major repair expenditure out of a fund accumulated by annual transfers from rents received at the discretion of the trustees. During the year, an amount was also transferred to the General Fund to make good its accumulated deficit.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

c) Fund structure (continued)

iii) Restricted funds

Grants and donations obtained for specific purposes are recognised in the financial statements as restricted funds, together with attributable investment income.

Refurbishment Fund

The Refurbishment Fund was established to meet expenditure relating to a major refurbishment of the building. The fund is reduced annually by the depreciation of the refurbishment cost of MEA House.

d) Fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost. The building is held for use for the supply of accommodation to other charities at less than market rent. The trustees therefore do not consider MEA House to be an investment property requiring inclusion in the financial statements at fair value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used are as follows:

Building: original cost	- straight line over 75 years
Building: refurbishment	- straight line over 25 years
Furniture and equipment	- 20% per annum reducing balance

e) Investments

Investments are a form of financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

f) Cash at bank

Cash at bank includes an instant access COIF Charities Deposit Fund accounts.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h) Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value, with the exception of the mortgage loan which is measured at amortised cost using the effective interest method.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

i) Income recognition

All income is included in the statement of financial activities when 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. The following specific policies are applied to particular categories of income:

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which can not be recovered.

Costs of expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 5 to the accounts.

k) Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 5. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

3. Net expenditure

	2023	2022
	£	£
Net expenditure for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	1,074	976
Accountancy services	9,593	8,962
Depreciation of tangible fixed assets	129,050	129,115

4. Grants

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Frazer Trust	-	-	-	1,000
The W A Handley Charity Trust	1,000	-	1,000	1,000
Newcastle City Council	4,000	-	4,000	4,000
Coronavirus Job Retention Scheme grant	-	-	-	6,494
	5,000	-	5,000	12,494

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

5. Total expenditure	Raising funds	Charitable activities	Governance costs	Total 2023	Total 2022
	£	£	£	£	£
Direct costs					
Staff costs	-	55,544	-	55,544	51,723
Property running and refurbishment costs	-	310,465	-	310,465	308,752
Depreciation and loss on disposal	-	129,050	-	129,050	129,115
Loan interest	-	647	-	647	53
Legal and professional fees	-	4,838	13,405	18,243	25,065
Independent examination and accountancy	-	4,645	6,022	10,667	9,938
Investment management costs	2,753	-	-	2,753	3,101
Trustees' indemnity insurance	-	-	1,530	1,530	1,512
	<u>2,753</u>	<u>505,189</u>	<u>20,957</u>	<u>528,899</u>	<u>529,259</u>
Governance costs		20,957			
Total expenditure on charitable activities		<u>526,146</u>			

Staff costs and numbers:	2023	2022
	£	£
Wages and salaries	51,060	47,886
Social security costs	3,385	2,744
Pension costs	1,099	1,093
	<u>55,544</u>	<u>51,723</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were £Nil (2022: £Nil). There are no employees with emoluments above £60,000 per annum. No trustees, or any person related or connected by business to them, received any remuneration from the charity during the year.

The aggregate amount of expenses reimbursed to the trustees during the year was £Nil (2022: £Nil). The number of trustees reimbursed for travelling expenses was nil (2022: nil).

The average number of employees during the year, analysed by function was as follows:	2023	2022
Building services, security and cleaning	<u>4</u>	<u>4</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

6. Tangible fixed assets	MEA House £	Furniture and equipment £	Total £
Cost			
At 1 April 2022	3,730,961	33,702	3,764,663
Additions	-	998	998
Disposals	-	-	-
At 31 March 2023	3,730,961	34,700	3,765,661
Depreciation			
At 1 April 2022	3,048,946	31,791	3,080,737
Charge for year	128,635	415	129,050
On disposals	-	-	-
At 31 March 2023	3,177,581	32,206	3,209,787
Net book value			
At 31 March 2023	553,380	2,494	555,874
At 1 April 2022	682,015	1,911	683,926

MEA House The property was subject to a 99 year ground lease granted by the City of Newcastle upon Tyne on 25 September 1975. A new lease with a term of 125 years was completed on 30 May 2023 following surrender of the existing lease.

7. Fixed asset investments	Total 2023 £	Total 2022 £
<i>Listed investments:</i>		
Market value at 1 April 2022	357,670	356,629
Additions at cost	25,000	35,553
Disposals at carrying value	(50,159)	(34,650)
Net (losses) / gains on revaluation	(25,415)	138
Market value at 31 March 2023	307,096	357,670
<i>Cash available for reinvestment:</i>	11,056	13,000
<i>Total</i>	318,152	370,670
Historical cost at 31 March 2023	281,766	300,127

The charity funds are subject to the price and yield volatility of the investment portfolio, but this is considered necessary to achieve a higher total return in the longer term.

8. Debtors	2023 £	2022 £
Rents and service charge arrears	7,837	10,459
Other debtors	1,052	332
Value added tax	-	3,753
Prepayments	15,001	14,088
Accrued income	325	11,254
	24,215	39,886

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

9. Creditors: amounts falling due within one year	2023	2022
	£	£
Loan	5,899	5,808
Rents and service charges in advance	29,564	30,912
Other creditors	93,771	75,957
Value added tax	5	-
Accruals	32,356	29,981
	<u>161,595</u>	<u>142,658</u>

10. Creditors: amounts falling due after more than one year	2023	2022
	£	£
Loan	<u>10,323</u>	<u>16,693</u>

Financial instruments measured at amortised cost comprise the loan financing provided by Newcastle Building Society. The loan is repayable in instalments over the period to December 2025 and bears interest at 1.25% above the Newcastle Building Society's cost of funds, giving an effective rate of 6.5% at the year end. The loan is secured by a first legal charge on part of the leasehold property known as MEA House and a floating charge over all assets of the charity.

Analysis of debt maturity:	2023	2022
Amounts payable:	£	£
Within one year (Note 9)	5,899	5,808
Between one and two years	10,323	5,909
Between two and five years	-	10,784
	<u>16,222</u>	<u>22,501</u>

11. Unrestricted funds	Balance at 1 April 2022	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2023
	£	£	£	£	£	£
General Fund	(4,114)	340,683	(390,681)	54,112	-	-
Designated funds:						
Repair and Refurbishment Fund	354,570	4,604	(19,884)	(50,091)	(29,765)	259,434
	<u>350,456</u>	<u>345,287</u>	<u>(410,565)</u>	<u>4,021</u>	<u>(29,765)</u>	<u>259,434</u>

<i>Unrestricted funds - previous year</i>	Balance at 1 April 2021	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2022
	£	£	£	£	£	£
General Fund	7,811	329,338	(385,085)	43,822	-	(4,114)
Designated funds:						
Repair and Refurbishment Fund	416,193	3,069	(25,839)	(39,742)	889	354,570
	<u>424,004</u>	<u>332,407</u>	<u>(410,924)</u>	<u>4,080</u>	<u>889</u>	<u>350,456</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

12. Restricted funds	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Refurbishment Fund	406,504	-	(118,334)	6,280	294,450
	<u>406,504</u>	<u>-</u>	<u>(118,334)</u>	<u>6,280</u>	<u>294,450</u>
<i>Restricted funds - previous year</i>	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Refurbishment Fund	518,618	-	(118,335)	6,221	406,504
	<u>518,618</u>	<u>-</u>	<u>(118,335)</u>	<u>6,221</u>	<u>406,504</u>

13. Analysis of net assets between funds

	Tangible fixed assets £	Fixed asset investments £	Net current liabilities £	Long term liabilities £	Total 2023 £	Total 2022 £
Endowment Fund	257,544	-	-	-	257,544	267,845
Unrestricted funds						
General Fund	2,494	-	6,443	(8,937)	-	(4,114)
Designated funds:						
Repair and Refurbishment Fund	-	318,152	(58,718)	-	259,434	354,570
Restricted funds						
Refurbishment Fund	295,836	-	-	(1,386)	294,450	406,504
	<u>555,874</u>	<u>318,152</u>	<u>(52,275)</u>	<u>(10,323)</u>	<u>811,428</u>	<u>1,024,805</u>

Analysis of net assets between funds - prior year

	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total 2022 £	Total 2021 £
Endowment Fund	267,845	-	-	-	267,845	278,146
Unrestricted funds						
General Fund	1,911	-	3,002	(9,027)	(4,114)	7,811
Designated funds:						
Repair and Refurbishment Fund	-	370,670	(16,100)	-	354,570	416,193
Restricted funds						
Refurbishment Fund	414,170	-	-	(7,666)	406,504	518,618
	<u>683,926</u>	<u>370,670</u>	<u>(13,098)</u>	<u>(16,693)</u>	<u>1,024,805</u>	<u>1,220,768</u>

14. Events after the balance sheet date - non adjusting event

On 13 June 2023, after taking professional advice, The MEA Trust contracted to dispose of its long leasehold interest in the building to Northumbria University. Completion of the transaction is conditional upon vacant possession being obtained by 29 August 2024.

THE MEA TRUST

England & Wales - Charity number 1074895

Accounts

THE MEA TRUST
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2022

Registered company number 03721573
Registered charity number 1074895

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE MEA TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022

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THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1074895 **Company number:** 3721573

Website: www.meahouse.org.uk

Trustees

Mr I Burke
Ms L Charlton (Retired 11 February 2022)
Ms G Mandell
Mr W McKay
Mr S T Gilroy
Mr J Lane
Mr M I Spriggs *Chair*
Mrs J Urron *Treasurer*
Cllr T Cairns
Mr S D Bowett

Secretary

Miss K Sweeney

Registered office

MEA House
Ellison Place
Newcastle upon Tyne
NE1 8XS

Independent examiner

Mr D R Gold
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Barclays Bank plc
49-51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Investment advisers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Managing agent

Naylors Gavin Black LLP
Hadrian House
8 Higham Place
Newcastle upon Tyne
NE1 8AF

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The MEA Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association (revised 28 September 2000, 13 June 2011, 2 May 2012 and 18 September 2018). It is a charity registered with the Charity Commission.

The full Trust Board meets at least twice in any one year and there is a subcommittee for Finance and Risk Management. The Annual General Meeting usually takes place in December.

The Trust currently has 9 trustees (The Memorandum states the Board will consist of at least 5 and not more than 15 individuals).

New trustees are appointed by the Trust Board with careful consideration to maintaining a wide range of relevant professional expertise on the Board to cover financial, legal and property matters. The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. The chairman is elected and his or her period of office is determined by the trustees.

The induction and training of trustees is dealt with according to individual need and is co-ordinated by the chairman. Usually, trustees have prior professional/charity knowledge and experience.

Since the departure of the Trust director, Naylor's have successfully assumed responsibility for the overall management of MEA House and all relevant regulatory compliance. They have also assumed responsibility for corporate and company secretarial support and compliance.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to both lessen these risks and take advantage of key opportunities.

Key documents are reviewed at least annually: e.g. the full risk assessment report; tenant payment schedule and Trust investments and reserves; the health and safety policy statement and fire risk assessment (including the fire evacuation strategy).

Objectives and activities

The Trust has general charitable objectives with the power to let property to other charities at a rent less than the commercial rents in the market place. Its mission statement, agreed at the EGM in January 2011, was varied at a Board meeting held on 8 December 2015 "To promote and support the development of the charitable, voluntary and community sectors in the North East". This was one of the agreed outcomes from the strategic review and is currently being implemented within the delivery of the overall business plan which is now nearing completion.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities *(continued)*

At the EGM in January 2011, the trustees reviewed their objectives and stated their new proposed objectives which continue to sit alongside their present Articles:

- i) To secure and maintain full occupancy of MEA House, preferably with registered charities as tenants, but also welcoming Social Enterprise and CIC type organisations. Outright commercial tenants should be sought only if space still remains unoccupied. As a consequence, maintaining full occupancy of MEA House is a priority and has been addressed in the business plan with a view to allowing commercial tenants into MEA House.
- ii) To deliver best value in relation to the costs of operation, consistent with the objective of providing good quality serviced office accommodation at an appropriate cost.
- iii) To promote and increase awareness of MEA House, especially in the Third Sector.
- iv) To further explore existing, and consider developing new, facilities and skills to generate additional income.

Following the amendment by Special Resolution at an Extraordinary Meeting on 27 March 2012, the Deed of Covenant under which MEA House operates has now, with the permission of Newcastle City Council, been formally varied to provide for the inclusion of the following types of organisation which have been added to the definition of 'approved organisations':

- Community Interest Companies (CICs)
- Industrial and Provident Societies (regulated under the Industrial and Provident Societies Act 1965)
- Other forms of Social Enterprise with the consent of the Landlord (In this context, the definition of Landlord has been clarified as being Newcastle City Council).

MEA House was built to achieve the aim of providing charities with good quality accommodation in one centre with rents below the market level. The building provides approximately 27,000 square feet of office space which is let to a wide range of charities of varying size which support local people of all ages.

The trustees confirm that they have been given the general guidance produced by the Charity Commission on public benefit and are confident that it is achieved through the letting to charities and the hire of the meeting rooms to the voluntary sector.

Achievements and performance

During the year, the usual pattern of trustees' meetings was maintained, the more recent being in person once again. The work of the Finance Sub Committee continues to be key.

Progress has continued with the headlease negotiations with the City Council and the documents are close to being signed.

MEA House re-opened for business as usual during the year. Occupation remains very high and usage has returned to near normal levels. Again, the trustees wish to record their gratitude to tenants and all involved in the charity, particularly staff, for their continued support which has enabled the charity to finish the year in a better position than it might otherwise have been. Nevertheless, there has been a significant deficit in the year, which the trustees are working to address.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance *(continued)*

The work with VONNE continues positively with engagement with occupiers and the wider voluntary sector returning again to pre-pandemic levels.

The trustees remain aware of the longer term effects of the pandemic on office use; the severe increase in costs, particularly heating; and the continued ageing of the building and the inevitability of major expenditure in the near to medium term. Thought is being given to how these and other headwinds can be managed.

Financial review

The principal funding source comprises rents and service charges. This rental income and the related MEA House running and refurbishment costs are shown in the statement of financial activities.

Although last year, for the first time in a number of years, it was possible to make a planned annual transfer out of rents received (as referred to in note 2 c) ii)) of £59,100 into the Repair and Refurbishment Fund, because of increased running costs, this has not been possible for this year.

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets or designated for specific purposes (the free reserves) at an appropriate level to cover any gap that may arise between rental income and expenditure. There were no free reserves at 31 March 2022 (2021: £5,421). The trustees will review both the policy and the reserves position on a regular basis.

To fulfil the charitable objects of the MEA Trust in the provision of good quality accommodation to charitable organisations, the trustees have established a policy of setting aside unrestricted income received to designated reserves, the purpose of which is to fund the replacement of major items of plant and to help meet future major refurbishment expenditure on MEA House.

The balance sheet shows that the Trust holds unrestricted income funds of £350,456 and all of this is held as designated funds for the purposes explained in the accounting policies note to the financial statements on page 9. The balance on this fund is shown in note 11.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has unrestricted power to invest funds in any manner after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification. There is discretionary management of investments within the context of clearly defined parameters.

Brewin Dolphin, our Investment Advisers, have identified 10 risk categories. The trustees have agreed that Risk Category 6 is most suitable for the MEA Trust portfolio. The strategic benchmark associated with this risk profile has the following asset allocation: Equities, 68.5%, Fixed Income, 17%, Alternatives, 12% and Cash 2.5%.

The trustees are prepared to have a significant majority of the charity's investments in equities with the aim of achieving a higher investment return over the long term. The allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. The trustees are prepared to accept fluctuations in the value of the portfolios to achieve the investment goals.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The investment policy is reviewed at least annually with direct reference to the long term financial plan and long term property review. The Finance Committee meet with the investment manager and managing agent and report to the trustees on a regular basis.

The combined total return on investments, before fees, and the benchmark for the year was 8.7% (benchmark 30.2%).

Statement of trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The MEA Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the trustees
Mr M I Spriggs
Chairman
13 December 2022

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE MEA TRUST

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022, which are set out on pages 7 to 15.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

D R GOLD FCA
Independent Examiner
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE
13 December 2022

THE MEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2022 £	Total 2021 £
Income from:						
Donations:						
<i>Grants</i>	4	12,494	-	-	12,494	44,517
Charitable activities:						
<i>Rents and service charges receivable</i>		315,221	-	-	315,221	310,604
Investments		4,692	-	-	4,692	5,838
Total income		332,407	-	-	332,407	360,959
Expenditure on:						
Raising funds		3,101	-	-	3,101	2,643
Charitable activities		407,823	118,335	-	526,158	412,632
Total expenditure	5	410,924	118,335	-	529,259	415,275
Net gains on investments:						
Gains on revaluation of investments	7	138	-	-	138	65,588
Realised gains on disposal of investments		751	-	-	751	10,156
		889	-	-	889	75,744
Net (expenditure) income	3	(77,628)	(118,335)	-	(195,963)	21,428
Transfers between funds		4,080	6,221	(10,301)	-	-
Net (expenditure) income and net movement in funds		(73,548)	(112,114)	(10,301)	(195,963)	21,428
Reconciliation of funds						
Total funds brought forward		424,004	518,618	278,146	1,220,768	1,199,340
Total funds carried forward		350,456	406,504	267,845	1,024,805	1,220,768

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

THE MEA TRUST

BALANCE SHEET

Company number: 03721573

AS AT 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	6	683,926		813,041	
Investments	7	<u>370,670</u>	1,054,596	<u>368,827</u>	1,181,868
Current assets					
Debtors	8	39,886		90,725	
Cash at bank		<u>89,674</u>		<u>86,186</u>	
		129,560		176,911	
Creditors: amounts falling due within one year	9	<u>(142,658)</u>		<u>(114,918)</u>	
Net current (liabilities) assets			(13,098)		61,993
Creditors: amounts falling due after more than one year	10		(16,693)		(23,093)
Net assets			<u>1,024,805</u>		<u>1,220,768</u>
The funds of the charity					
Endowment fund			267,845		278,146
Unrestricted income funds	11		350,456		424,004
Restricted income funds	12		406,504		518,618
Total charity funds			<u>1,024,805</u>		<u>1,220,768</u>

For the year ended 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 13 December 2022.

Mr M I Spriggs
Chairman

Mrs J Urron
Treasurer

The notes on pages 9 to 15 form part of these financial statements

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Legal status of the charity

The charity is a company limited by guarantee, has no share capital and is registered in England and Wales. The address of the registered office is MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The MEA Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Preparation of the accounts on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the trustees consider the charity to be a going concern.

c) Fund structure

i) Endowment Fund

This represents the capital provided to fund the original cost of MEA House. The fund is reduced annually by a transfer equivalent to the depreciation of the original cost of MEA House.

ii) Designated funds

The following designated funds are unrestricted funds earmarked by the trustees for specific purposes:

Amortisation Fund

The Amortisation Fund was referred to in a letter from the Charity Commission dated 5 January 1971 and in the Deed of Covenant dated 25 January 1973 between the trustees of the original MEA Trust (registration number 251935) and the City of Newcastle upon Tyne and was set up for the purpose of providing the sum of £750,000 based upon the original estimated cost of MEA House) in the year 2048. The funding of this account was made by annual transfers from rents received. As the City has confirmed that the fund is no longer required it had been transferred to the Repair and Refurbishment Fund in 2021.

Repair and Refurbishment Fund

The purpose of this fund is to meet major repair expenditure out of a fund accumulated by annual transfers from rents received at the discretion of the trustees. During the year, an amount was also transferred to the General Fund to make good its accumulated deficit.

Long Term Replacement Fund

Funds have in the past been set aside from rents received to meet future major one-off expenditure on MEA House. However, the Fund had been transferred to the General Fund in 2021 to make good its accumulated deficit.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

c) Fund structure (continued)

iii) Restricted funds

Grants and donations obtained for specific purposes are recognised in the financial statements as restricted funds, together with attributable investment income.

Refurbishment Fund

The Refurbishment Fund was established to meet expenditure relating to a major refurbishment of the building. The fund is reduced annually by the depreciation of the refurbishment cost of MEA House.

d) Fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost. The building is held for use for the supply of accommodation to other charities at less than market rent. The trustees therefore do not consider MEA House to be an investment property requiring inclusion in the financial statements at fair value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used are as follows:

Building: original cost	- straight line over 75 years
Building: refurbishment	- straight line over 25 years
Furniture and equipment	- 20% per annum reducing balance

e) Investments

Investments are a form of financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

f) Cash at bank

Cash at bank includes an instant access deposit account and instant access COIF Charities Deposit Fund accounts.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h) Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value, with the exception of the mortgage loan which is measured at amortised cost using the effective interest method.

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

i) Income recognition

All income is included in the statement of financial activities when 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.

The following specific policies are applied to particular categories of income:

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which can not be recovered.

Costs of expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 5 to the accounts.

k) Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 5. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

3. Net (expenditure) income

	2022	2021
	£	£
Net (expenditure) income for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	976	938
Accountancy services	8,962	8,620
Depreciation of tangible fixed assets	129,115	129,235
	129,115	129,235

4. Grants

	Unrestricted	Restricted	2022	2021
	£	£	£	£
The Joseph Strong Frazer Trust	1,000	-	1,000	1,000
The W A Handley Charity Trust	1,000	-	1,000	1,000
North of Tyne Combined Authority	-	-	-	25,000
Newcastle City Council	4,000	-	4,000	4,000
Coronavirus Job Retention Scheme grant	6,494	-	6,494	13,517
	12,494	-	12,494	44,517

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Total expenditure	Raising funds £	Charitable activities £	Governance costs £	Total 2022 £	Total 2021 £
Direct costs					
Staff costs	-	51,723	-	51,723	45,562
Property running and refurbishment costs	-	308,752	-	308,752	209,330
Depreciation and loss on disposal	-	129,115	-	129,115	129,235
Loan interest	-	53	-	53	848
Legal and professional fees	-	22,303	2,762	25,065	16,587
Independent examination and accountancy	-	4,220	5,718	9,938	9,558
Investment management costs	3,101	-	-	3,101	2,643
Trustees' indemnity insurance	-	-	1,512	1,512	1,512
	<u>3,101</u>	516,166	<u>9,992</u>	<u>529,259</u>	<u>415,275</u>
Governance costs		9,992			
Total expenditure on charitable activities		<u>526,158</u>			

Staff costs and numbers:	2022 £	2021 £
Wages and salaries	47,886	41,935
Social security costs	2,744	2,552
Pension costs	1,093	1,075
	<u>51,723</u>	<u>45,562</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were £Nil (2021: £Nil). There are no employees with emoluments above £60,000 per annum. No trustees, or any person related or connected by business to them, received any remuneration from the charity during the year.

The aggregate amount of expenses reimbursed to the trustees during the year was £Nil (2021: £Nil). The number of trustees reimbursed for travelling expenses was nil (2021: nil).

The average number of employees during the year, analysed by function was as follows:	2022	2021
Building services, security and cleaning	<u>4</u>	<u>4</u>

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6. Tangible fixed assets

	MEA House £	Furniture and equipment £	Total £
Cost			
At 1 April 2021	3,730,961	33,702	3,764,663
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	3,730,961	33,702	3,764,663
Depreciation			
At 1 April 2021	2,920,310	31,312	2,951,622
Charge for year	128,636	479	129,115
On disposals	-	-	-
At 31 March 2022	3,048,946	31,791	3,080,737
Net book value			
At 31 March 2022	682,015	1,911	683,926
At 1 April 2021	810,651	2,390	813,041

MEA House The property is subject to a 99 year ground lease granted by the City of Newcastle upon Tyne on 25 September 1975, the remaining term of which is 52 years.

7. Fixed asset investments

	Total 2022 £	Total 2021 £
<i>Listed investments:</i>		
Market value at 1 April 2021	356,629	274,596
Additions at cost	35,553	81,080
Disposals at carrying value	(34,650)	(64,635)
Net gain on revaluation	138	65,588
Market value at 31 March 2022	357,670	356,629
<i>Cash available for reinvestment:</i>	13,000	12,198
<i>Total</i>	370,670	368,827
Historical cost at 31 March 2022	300,127	290,444

The charity funds are subject to the price and yield volatility of the investment portfolio, but this is considered necessary to achieve a higher total return in the longer term.

8. Debtors

	2022 £	2021 £
Rents and service charge arrears	10,459	13,170
Other debtors	332	1,965
Value added tax	3,753	-
Prepayments	14,088	14,028
Accrued income	11,254	61,562
	39,886	90,725

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Creditors: amounts falling due within one year	2022	2021
	£	£
Loan	5,808	5,629
Rents and service charges in advance	30,912	49,792
Other creditors	75,957	33,242
Value added tax	-	559
Accruals	29,981	25,696
	142,658	114,918

10. Creditors: amounts falling due after more than one year	2022	2021
	£	£
Loan	16,693	23,093

Financial instruments measured at amortised cost comprise the loan financing provided by Newcastle Building Society. The loan is repayable in instalments over the period to December 2025 and bears interest at 1.25% above the Newcastle Building Society's cost of funds, giving an effective rate of 3.25% at the year end. The loan is secured by a first legal charge on the leasehold property known as MEA House and a floating charge over all assets of the charity.

Analysis of debt maturity:	2022	2021
Amounts payable:	£	£
Within one year (Note 9)	5,808	5,629
Between one and two years	5,909	5,886
Between two and five years	10,784	17,207
	22,501	28,722

11. Unrestricted funds	Balance at	Income	Expenditure	Transfers	Investment	Balance at
	1 April				gains	31 March
	2021				(losses)	2022
	£	£	£	£	£	£
General Fund	7,811	329,338	(385,085)	43,822	-	(4,114)
Designated funds:						
Repair and Refurbishment Fund	416,193	3,069	(25,839)	(39,742)	889	354,570
	424,004	332,407	(410,924)	4,080	889	350,456

<i>Unrestricted funds - previous year</i>	Balance at	Income	Expenditure	Transfers	Investment	Balance at
	1 April				gains	31 March
	2020				(losses)	2021
	£	£	£	£	£	£
General Fund	(305,991)	332,208	(270,005)	251,599	-	7,811
Designated funds:						
Long Term Replacement Fund	157,178	-	-	(157,178)	-	-
Amortisation Fund	188,555	-	-	(188,555)	-	-
Repair and Refurbishment Fund	239,792	3,751	(1,936)	98,842	75,744	416,193
	279,534	335,959	(271,941)	4,708	75,744	424,004

THE MEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

12. Restricted funds	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Refurbishment Fund	518,618	-	(118,335)	6,221	406,504
	518,618	-	(118,335)	6,221	406,504
Restricted funds - previous year	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£	£
North of Tyne COVID-19 Fund	-	25,000	(25,000)	-	-
Refurbishment Fund	631,359	-	(118,334)	5,593	518,618
	631,359	25,000	(143,334)	5,593	518,618

13. Analysis of net assets between funds

	Tangible fixed assets	Fixed asset investments	Net current liabilities	Long term liabilities	Total 2022	Total 2021
	£	£	£	£	£	£
Endowment Fund	267,845	-	-	-	267,845	278,146
Unrestricted funds						
General Fund	1,911	-	3,002	(9,027)	(4,114)	7,811
Designated funds:						
Repair and Refurbishment Fund	-	370,670	(16,100)	-	354,570	416,193
Restricted funds						
Refurbishment Fund	414,170	-	-	(7,666)	406,504	518,618
	683,926	370,670	(13,098)	(16,693)	1,024,805	1,220,768

Analysis of net assets between funds - prior year

	Tangible fixed assets	Fixed asset investments	Net current assets	Long term liabilities	Total 2021	Total 2020
	£	£	£	£	£	£
Endowment Fund	278,146	-	-	-	278,146	288,447
Unrestricted funds						
General Fund	2,390	-	14,627	(9,206)	7,811	(305,991)
Designated funds:						
Long Term Replacement Fund	-	-	-	-	-	157,178
Amortisation Fund	-	-	-	-	-	188,555
Repair and Refurbishment Fund	-	368,827	47,366	-	416,193	239,792
Restricted funds						
Equipment Fund	532,505	-	-	(13,887)	518,618	631,359
	813,041	368,827	61,993	(23,093)	1,220,768	1,199,340

THE MEA TRUST

England & Wales - Charity number 1074895

Accounts

THE MEA TRUST
(A charitable company limited by guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2021

Registered company number 3721573
Registered charity number 1074895

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE MEA TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021

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THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1074895 **Company number:** 3721573

Website: www.meahouse.org.uk

Trustees

Mr I Burke
Ms L Charlton
Ms G Mandell
Mr W McKay
Mr S T Gilroy
Mr J Lane
Mr M I Spriggs *Chair*
Mrs J Urron *Treasurer*
Cllr T Cairns
Mr S D Bowett (Appointed 16 March 2021)

Secretary

Miss K Sweeney

Registered office

MEA House
Ellison Place
Newcastle upon Tyne
NE1 8XS

Independent examiner

Mr D R Gold
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Barclays Bank plc
49-51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Investment advisers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Managing agent

Naylors Gavin Black LLP
Hadrian House
8 Higham Place
Newcastle upon Tyne
NE1 8AF

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The MEA Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association (revised 28 September 2000, 13 June 2011, 2 May 2012 and 18 September 2018). It is a charity registered with the Charity Commission.

The full Trust Board meets at least twice in any one year and there is a subcommittee for Finance and Risk Management. The Annual General Meeting usually takes place in December.

The Trust currently has 10 trustees (The Memorandum states the Board will consist of at least 5 and not more than 15 individuals).

New trustees are appointed by the Trust Board with careful consideration to maintaining a wide range of relevant professional expertise on the Board to cover financial, legal and property matters. The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. The chairman is elected and his or her period of office is determined by the trustees. There has been one new board appointment Mr S D Bowett this year.

The induction and training of trustees is dealt with according to individual need and is co-ordinated by the chairman. Usually, trustees have prior professional/charity knowledge and experience.

Since the departure of the Trust director, Naylor's have successfully assumed responsibility for the overall management of MEA House and all relevant regulatory compliance. They have also assumed responsibility for corporate and company secretarial support and compliance.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to both lessen these risks and take advantage of key opportunities.

Key documents are reviewed at least annually: e.g. the full risk assessment report; tenant payment schedule and Trust investments and reserves; the health and safety policy statement and fire risk assessment (including the fire evacuation strategy).

Objectives and activities

The Trust has general charitable objectives with the power to let property to other charities at a rent less than the commercial rents in the market place. Its mission statement, agreed at the EGM in January 2011, was varied at a Board meeting held on 8 December 2015 "To promote and support the development of the charitable, voluntary and community sectors in the North East". This was one of the agreed outcomes from the strategic review and is currently being implemented within the delivery of the overall business plan which is now nearing completion.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities *(continued)*

At the EGM in January 2011, the trustees reviewed their objectives and stated their new proposed objectives which continue to sit alongside their present Articles:

- i) To secure and maintain full occupancy of MEA House, preferably with registered charities as tenants, but also welcoming Social Enterprise and CIC type organisations. Outright commercial tenants should be sought only if space still remains unoccupied. As a consequence, maintaining full occupancy of MEA House is a priority and has been addressed in the business plan with a view to allowing commercial tenants into MEA House.
- ii) To deliver best value in relation to the costs of operation, consistent with the objective of providing good quality serviced office accommodation at an appropriate cost.
- iii) To promote and increase awareness of MEA House, especially in the Third Sector.
- iv) To further explore existing, and consider developing new, facilities and skills to generate additional income.

Following the amendment by Special Resolution at an Extraordinary Meeting on 27 March 2012, the Deed of Covenant under which MEA House operates has now, with the permission of Newcastle City Council, been formally varied to provide for the inclusion of the following types of organisation which have been added to the definition of ‘approved organisations’:

- Community Interest Companies (CICs)
- Industrial and Provident Societies (regulated under the Industrial and Provident Societies Act 1965)
- Other forms of Social Enterprise with the consent of the Landlord (In this context, the definition of Landlord has been clarified as being Newcastle City Council).

MEA House was built to achieve the aim of providing charities with good quality accommodation in one centre with rents below the market level. The building provides approximately 27,000 square feet of office space which is let to a wide range of charities of varying size which support local people of all ages.

The trustees confirm that they have been given the general guidance produced by the Charity Commission on public benefit and are confident that it is achieved through the letting to charities and the hire of the meeting rooms to the voluntary sector.

Achievements and performance

During the year, the trustees held three ordinary meetings and an Annual General meeting, all on Zoom. The work of the finance sub-committee was also carried out by Zoom meetings.

Agreement has been reached with the City Council to vary the headlease and to eliminate the need for the Trust to maintain separate reserves for the benefit of the Council at the end of the lease. However, these changes are still being formally documented.

The COVID-19 pandemic has had a profound effect on MEA House and the charity. Lockdown effectively closed the building, but a few key tenants continued to operate as and when possible. Furlough arrangements were put in place for our staff.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance *(continued)*

The trustees wish to put on record their profound gratitude to tenants and all involved with the charity, but in particular staff, for the professional and positive way in which they have engaged with the Trust throughout the year. As a result, we have weathered the storm better than expected and end the year in a relatively healthy position.

Indeed, since the year end, occupancy of the building has increased to record levels and there are only limited credit control issues at the moment.

The arrangements with VONNE have continued and with their help we have embarked on a major consultation exercise with tenants and the wider third sector to understand the impact of the pandemic on office demand going forward. This has informed a review of the building's offer and started a programme to re-imagine some of the space to provide more flexible arrangements. This has started with work on an updated website and proposals to re-purpose the board rooms and auditorium, for which grant funding will be sought.

The trustees remain aware of the significant risks still posed by the pandemic and its aftermath, but on current evidence believe that the changes to the building being planned will position the charity as strongly as possible for the next few years.

Financial review

The principal funding source comprises rents and service charges. This rental income and the related MEA House running and refurbishment costs are shown in the statement of financial activities.

In order to make good the deficit brought forward on the General Fund, the opening balance of £157,178 on the Long Term Replacement Fund has been transferred to the General Fund together with £148,813 from the Repair and Refurbishment Fund. The opening balance of £188,555 on the Amortisation Fund has been transferred to the Repair and Refurbishment Fund as explained in note 2 c) ii).

During the year, for the first time in a number of years, it has been possible to make a planned annual transfer out of rents received (as referred to in note 2 c) ii)) of £59,100 into the Repair and Refurbishment Fund.

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets or designated for specific purposes (the free reserves) at an appropriate level to cover any gap that may arise between rental income and expenditure. There were free reserves at 31 March 2021 of £5,421 (2020: £Nil). The trustees will review both the policy and the reserves position on a regular basis.

To fulfil the charitable objects of the MEA Trust in the provision of good quality accommodation to charitable organisations, the trustees have established a policy of setting aside unrestricted income received to designated reserves, the purpose of which is to fund the replacement of major items of plant and to help meet future major refurbishment expenditure on MEA House.

The balance sheet shows that the Trust holds unrestricted income funds of £424,004 and £416,193 of this is held as designated funds for the purposes explained in the accounting policies note to the financial statements on page 10. The balance on this fund is shown in note 11.

THE MEA TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has unrestricted power to invest funds in any manner after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification. There is discretionary management of investments within the context of clearly defined parameters.

Brewin Dolphin, our Investment Advisers, have identified 10 risk categories. The trustees have agreed that Risk Category 6 is most suitable for the MEA Trust portfolio. The strategic benchmark associated with this risk profile has the following asset allocation: Equities, 68.5%, Fixed Income, 17%, Alternatives, 12% and Cash 2.5%.

The trustees are prepared to have a significant majority of the charity's investments in equities with the aim of achieving a higher investment return over the long term. The allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. The trustees are prepared to accept fluctuations in the value of the portfolios to achieve the investment goals.

The investment policy is reviewed at least annually with direct reference to the long term financial plan and long term property review. The Finance Committee meet with the investment manager and managing agent and report to the trustees on a regular basis.

The combined total return on investments, before fees, and the benchmark for the year was 30.2% (benchmark 23.5%).

Statement of trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The MEA Trust for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MEA TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

On behalf of the trustees

Mr M I Spriggs
Chairman
18 November 2021

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE MEA TRUST

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021, which are set out on pages 8 to 17.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act 2006').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

D R GOLD FCA
Independent Examiner
Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE
1 December 2021

THE MEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2021 £	Total 2020 £
Income from:						
Donations:						
<i>Grants</i>	4	19,517	25,000	-	44,517	6,000
Charitable activities:						
<i>Rents and service charges receivable</i>		310,604	-	-	310,604	337,392
Investments		5,838	-	-	5,838	8,658
Total income		335,959	25,000	-	360,959	352,050
Expenditure on:						
Raising funds		2,643	-	-	2,643	2,991
Charitable activities		269,298	143,334	-	412,632	530,433
Total expenditure	5	271,941	143,334	-	415,275	533,424
Net gains (losses) on investments:						
Gains (losses) on revaluation of investments	7	65,588	-	-	65,588	(34,838)
Realised gains (losses) on disposal of investments		10,156	-	-	10,156	(7,582)
		75,744	-	-	75,744	(42,420)
Net income (expenditure)	3	139,762	(118,334)	-	21,428	(223,794)
Transfers between funds		4,708	5,593	(10,301)	-	-
Net income (expenditure) and net movement in funds		144,470	(112,741)	(10,301)	21,428	(223,794)
Reconciliation of funds						
Total funds brought forward		279,534	631,359	288,447	1,199,340	1,423,134
Total funds carried forward		424,004	518,618	278,146	1,220,768	1,199,340

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 10 to 16 form part of these financial statements.

THE MEA TRUST

BALANCE SHEET

Company number: 3721573

AS AT 31 MARCH 2021

	Note		2021		2020
		£	£	£	£
Fixed assets					
Tangible assets	6	813,041		942,276	
Investments	7	<u>368,827</u>	1,181,868	<u>315,463</u>	1,257,739
Current assets					
Debtors	8	90,725		39,007	
Cash at bank		<u>86,186</u>		<u>85,228</u>	
		176,911		124,235	
Creditors: amounts falling due within one year	9	<u>(114,918)</u>		<u>(153,859)</u>	
Net current assets (liabilities)			61,993		(29,624)
Creditors: amounts falling due after more than one year	10		(23,093)		(28,775)
Net assets			<u>1,220,768</u>		<u>1,199,340</u>
The funds of the charity					
Endowment fund			278,146		288,447
Unrestricted income funds	11		424,004		279,534
Restricted income funds	12		518,618		631,359
Total charity funds			<u>1,220,768</u>		<u>1,199,340</u>

For the year ended 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees responsibilities:

- (i) The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the trustees and authorised for issue on 18 November 2021.

Mr M I Spriggs
Chairman

Mrs J Urron
Treasurer

The notes on pages 10 to 16 form part of these financial statements

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Legal status of the charity

The charity is a company limited by guarantee, has no share capital and is registered in England and Wales. The address of the registered office is MEA House, Ellison Place, Newcastle upon Tyne, NE1 8XS. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. They have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The MEA Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentation currency of the charity.

b) Preparation of the accounts on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the trustees consider the charity to be a going concern.

c) Fund structure

i) Endowment Fund

This represents the capital provided to fund the original cost of MEA House. The fund is reduced annually by a transfer equivalent to the depreciation of the original cost of MEA House.

ii) Designated funds

The following designated funds are unrestricted funds earmarked by the trustees for specific purposes:

Amortisation Fund

The Amortisation Fund was referred to in a letter from the Charity Commission dated 5 January 1971 and in the Deed of Covenant dated 25 January 1973 between the trustees of the original MEA Trust (registration number 251935) and the City of Newcastle upon Tyne and was set up for the purpose of providing the sum of £750,000 based upon the original estimated cost of MEA House) in the year 2048. The funding of this account was made by annual transfers from rents received. As the City has confirmed that the fund is no longer required it has been transferred to the Repair and Refurbishment Fund.

Repair and Refurbishment Fund

The purpose of this fund is to meet major repair expenditure out of a fund accumulated by annual transfers from rents received at the discretion of the trustees. During the year, an amount was also transferred to the General Fund to make good its accumulated deficit.

Long Term Replacement Fund

Funds have in the past been set aside from rents received to meet future major one-off expenditure on MEA House. However, the Fund has been transferred to the General Fund to make good its accumulated deficit.

THE MEA TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies *(continued)*

c) Fund structure *(continued)*

iii) Restricted funds

Grants and donations obtained for specific purposes are recognised in the financial statements as restricted funds, together with attributable investment income.

Refurbishment Fund

The Refurbishment Fund was established to meet expenditure relating to a major refurbishment of the building. The fund is reduced annually by the depreciation of the refurbishment cost of MEA House.

Equipment Fund

The Equipment Fund was established out of grants to be expended on equipment. The fund is reduced annually by the depreciation of the equipment concerned.

d) Fixed assets and depreciation

Tangible fixed assets are included in the financial statements at their historical cost. The building is held for use for the supply of accommodation to other charities at less than market rent. The trustees therefore do not consider MEA House to be an investment property requiring inclusion in the financial statements at fair value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used are as follows:

Building: original cost	- straight line over 75 years
Building: refurbishment	- straight line over 25 years
Furniture and equipment	- 20% per annum reducing balance

e) Investments

Investments are a form of financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

f) Cash at bank

Cash at bank includes an instant access deposit account and instant access COIF Charities Deposit Fund accounts.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h) Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value, with the exception of the mortgage loan which is measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

i) Income recognition

All income is included in the statement of financial activities when 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.

The following specific policies are applied to particular categories of income:

Donations are received by way of grants and donations and are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which can not be recovered.

Costs of expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 5 to the accounts.

k) Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution in the year is disclosed in note 5. The money purchase plan is managed by B&CE Holdings (The People's Pension). The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

3. Net income (expenditure)

	2021	2020
	£	£
Net income (expenditure) for the year is stated after charging:		
Independent examination and accountancy services:		
Independent examination	938	920
Accountancy services	8,620	8,450
Payroll services	-	118
Depreciation of tangible fixed assets	129,235	130,314

4. Grants

	Unrestricted	Restricted	2021	2020
	£	£	£	£
The Joseph Strong Frazer Trust	1,000	-	1,000	1,000
The W A Handley Charity Trust	1,000	-	1,000	1,000
North of Tyne Combined Authority	-	25,000	25,000	-
Newcastle City Council	4,000	-	4,000	4,000
Coronavirus Job Retention Scheme grant	13,517	-	13,517	-
	19,517	25,000	44,517	6,000

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FOR THE YEAR ENDED 31 MARCH 2021

5. Total expenditure	Raising funds	Charitable activities	Governance costs	Total 2021	Total 2020
	£	£	£	£	£
Direct costs					
Staff costs	-	45,562	-	45,562	53,380
Property running and refurbishment costs	-	209,330	-	209,330	310,141
Depreciation and loss on disposal	-	129,235	-	129,235	134,021
Loan interest	-	848	-	848	914
Legal and professional fees	-	10,587	6,000	16,587	21,055
Independent examination and accountancy	-	4,060	5,498	9,558	8,480
Investment management costs	2,643	-	-	2,643	2,991
Trustees' indemnity insurance	-	-	1,512	1,512	1,515
Office and meeting costs	-	-	-	-	927
	<u>2,643</u>	<u>399,622</u>	<u>13,010</u>	<u>415,275</u>	<u>533,424</u>
Governance costs		13,010			
Total expenditure on charitable activities		<u>412,632</u>			

Staff costs and numbers:	2021	2020
	£	£
Wages and salaries	41,935	50,334
Social security costs	2,552	2,278
Pension costs	1,075	768
	<u>45,562</u>	<u>53,380</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were £Nil (2020: £Nil). There are no employees with emoluments above £60,000 per annum. No trustees, or any person related or connected by business to them, received any remuneration from the charity during the year.

The aggregate amount of expenses reimbursed to the trustees during the year was £Nil (2020: £Nil). The number of trustees reimbursed for travelling expenses was nil (2020: nil).

The average number of employees during the year, analysed by function was as follows:	2021	2020
Building services, security and cleaning	<u>4</u>	<u>5</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6. Tangible fixed assets	MEA House	Furniture and equipment	Total
Cost	£	£	£
At 1 April 2020	3,730,961	34,576	3,765,537
Additions	-	-	-
Disposals	-	(874)	(874)
At 31 March 2021	3,730,961	33,702	3,764,663
Depreciation			
At 1 April 2020	2,791,675	31,586	2,823,261
Charge for year	128,635	600	129,235
On disposals	-	(874)	(874)
At 31 March 2021	2,920,310	31,312	2,951,622
Net book value			
At 31 March 2021	810,651	2,390	813,041
At 1 April 2020	939,286	2,990	942,276

MEA House The property is subject to a 99 year ground lease granted by the City of Newcastle upon Tyne on 25 September 1975, the remaining term of which is 53 years.

7. Fixed asset investments

	Total 2021	Total 2020
	£	£
<i>Listed investments:</i>		
Market value at 1 April 2020	274,596	358,705
Additions at cost	81,080	51,823
Disposals at carrying value	(64,635)	(101,094)
Net gain / (loss) on revaluation	65,588	(34,838)
Market value at 31 March 2021	356,629	274,596
<i>Cash available for reinvestment:</i>	12,198	40,867
<i>Total</i>	368,827	315,463
Historical cost at 31 March 2021	290,444	303,612

The charity funds are subject to the price and yield volatility of the investment portfolio, but this is considered necessary to achieve a higher total return in the longer term.

8. Debtors

	2021	2020
	£	£
Rents and service charge arrears	13,170	17,808
Other debtors	1,965	3,285
Value added tax	-	1,695
Prepayments	14,028	13,611
Accrued income	61,562	2,608
	90,725	39,007

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FOR THE YEAR ENDED 31 MARCH 2021

9. Creditors: amounts falling due within one year	2021	2020
	£	£
Loan	5,629	5,540
Rents and service charges in advance	49,792	28,977
Other creditors	33,242	73,522
Value added tax	559	-
Accruals	25,696	45,820
	<u>114,918</u>	<u>153,859</u>

10. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Loan	<u>23,093</u>	<u>28,775</u>

Financial instruments measured at amortised cost comprise the loan financing provided by Newcastle Building Society. The loan is repayable in instalments over the period to December 2025 and bears interest at 1.25% above the Newcastle Building Society's cost of funds, giving an effective rate of 2.32% at the year end. The loan is secured by a first legal charge on the leasehold property known as MEA House and a floating charge over all assets of the charity.

Analysis of debt maturity:	2021	2020
	£	£
Amounts payable:		
Within one year (Note 9)	5,629	5,540
Between one and two years	5,886	5,666
Between two and five years	17,207	17,959
In five years or more	-	5,150
	<u>28,722</u>	<u>34,315</u>

11. Unrestricted funds	Balance at 1 April 2020	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2021
	£	£	£	£	£	£
General Fund	(305,991)	332,208	(270,005)	251,599	-	7,811
Designated funds:						
Long Term Replacement Fund	157,178	-	-	(157,178)	-	-
Amortisation Fund	188,555	-	-	(188,555)	-	-
Repair and Refurbishment Fund	239,792	3,751	(1,936)	98,842	75,744	416,193
	<u>279,534</u>	<u>335,959</u>	<u>(271,941)</u>	<u>4,708</u>	<u>75,744</u>	<u>424,004</u>

<i>Unrestricted funds - previous year</i>	Balance at 1 April 2019	Income	Expenditure	Transfers	Investment gains (losses)	Balance at 31 March 2020
	£	£	£	£	£	£
General Fund	(256,259)	326,264	(380,023)	4,027	-	(305,991)
Designated funds:						
Long Term Replacement Fund	164,024	14,886	(5,909)	-	(15,823)	157,178
Amortisation Fund	205,669	4,106	(1,652)	1,291	(20,859)	188,555
Repair and Refurbishment Fund	266,242	6,794	(27,506)	-	(5,738)	239,792
	<u>379,676</u>	<u>352,050</u>	<u>(415,090)</u>	<u>5,318</u>	<u>(42,420)</u>	<u>279,534</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

12. Restricted funds	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£	£
North of Tyne COVID-19 Fund	-	25,000	(25,000)	-	-
Refurbishment Fund	631,359	-	(118,334)	5,593	518,618
	631,359	25,000	(143,334)	5,593	518,618
Restricted funds - previous year	Balance at 1 April 2019	Income	Expenditure	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Refurbishment Fund	744,150	-	(118,334)	5,543	631,359
Equipment Fund	560	-	-	(560)	-
	744,710	-	(118,334)	4,983	631,359

13. Analysis of net assets between funds

	Tangible fixed assets	Fixed asset investments	Net current assets	Long term liabilities	Total 2021	Total 2020
	£	£	£	£	£	£
Endowment Fund	278,146	-	-	-	278,146	288,447
Unrestricted funds						
General Fund	2,390	-	14,627	(9,206)	7,811	(305,991)
Designated funds:						
Long Term Replacement Fund	-	-	-	-	-	157,178
Amortisation Fund	-	-	-	-	-	188,555
Repair and Refurbishment Fund	-	368,827	47,366	-	416,193	239,792
Restricted funds						
North of Tyne COVID-19 Fund	-	-	-	-	-	-
Refurbishment Fund	532,505	-	-	(13,887)	518,618	631,359
	813,041	368,827	61,993	(23,093)	1,220,768	1,199,340

Analysis of net assets between funds - prior year

	Tangible fixed assets	Fixed asset investments	Net current assets	Long term liabilities	Total 2020	Total 2019
	£	£	£	£	£	£
Endowment Fund	288,447	-	-	-	288,447	298,748
Unrestricted funds						
General Fund	2,990	-	(299,686)	(9,295)	(305,991)	(256,259)
Designated funds:						
Long Term Replacement Fund	-	98,903	58,275	-	157,178	164,024
Amortisation Fund	-	177,531	11,024	-	188,555	205,669
Repair and Refurbishment Fund	-	39,029	200,763	-	239,792	266,242
Restricted funds						
Refurbishment Fund	650,839	-	-	(19,480)	631,359	744,150
Equipment Fund	-	-	-	-	-	560
	942,276	315,463	(29,624)	(28,775)	1,199,340	1,423,134

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

14. Post balance sheet events

As a continuing result of the COVID-19 pandemic, the charity is operating in uncertain times. Occupancy levels are current unchanged from the level at the year end, but there is a risk that the income from tenants will not be sustained in the coming months. At this stage it is impossible to estimate the longer term financial effects on the charity.