

Registered Charity Number: 1155101

LORD CREWE'S CHARITY

Financial Statements

For The Year Ended 31 December 2022

LORD CREWE'S CHARITY

Financial Statements For The Year Ended 31 December 2022

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LORD CREWE'S CHARITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and audited financial statements of Lord Crewe's Charity (the Charity) for the year ended 31 December 2022. The Trustees confirm that the annual report and financial statements of the Charity have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102) effective 1 January 2019.

Structure, governance and management

a. CONSTITUTION

Lord Crewe's Charity (Charity No. 1155101) is governed by its constitution as a Charitable Incorporated Organisation.

A linked Charity, Lord Crewe's Library and Archives Trust (Charity No. 1155101-3), owns the libraries and archives collections currently held at Durham Cathedral, Durham University, the North East Religious Learning Resource Centre, and Northumberland Archives. This is governed by its Deed of Trust dated 31 December 2013. On 1 January 2014 the assets of the Reverend John Sharp's Library (Charity number 230347-2) were transferred to the new Charitable Incorporated Organisation for it to continue to act as Corporate Trustee for those assets.

Prior to its incorporation as a CIO (on 1 January 2014, the activities of the Lord Crewe's Charity were carried out by a separate unincorporated charity (charity number 230347). The Charities Commission directed that this charity and the Lord Crewe's Library and Archives Trust (charity number 1155101-3) shall be treated as forming part of the Lord Crewe's Charity (charity number 1155101) for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

On 1 January 2014, the activities, assets and liabilities of the old unincorporated charity (charity number 230347) were transferred to this Charitable Incorporated Organisation, under a scheme of arrangement approved by the Charity Commission.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the Charitable Incorporated Organisation's constitution.

The constitution provides that there shall be a minimum of five and a maximum of nine Trustees, including one ex-officio, three nominative and up to five co-optative. Of the three nominative Trustees, two are nominated by the Bishop of Durham and one by the Bishop of Newcastle. The ex-officio trustee is the Rector of Lincoln College Oxford. The co-optative trustees are selected having regard to the skills, knowledge and experience needed for the effective administration of the CIO.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Induction of new Trustees is provided by the Clerk and Chair, with technical induction also provided by the Charity's legal advisors and the Receiver. Trustees are familiar with charity law through their service on trustee boards of other charities and through information provided by the Charity Commission. Training, briefing and updating sessions are provided as required. The Clerk circulates relevant information received from the Charity Commission and other sources to the Trustees.

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d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trustees elect a chair and vice-chair annually at the first meeting of the year. All business is formally presented, discussed and, when needed, voted on, each trustee having one vote and the chair a casting vote if required.

The Trustees have delegated the administration of the Charity to the Clerk and the management of the estates to the Receiver.

Both the Clerk and the Receiver are in frequent contact with the chair or vice-chair, or with the Trustees when appropriate. The board meets and discusses business formally at least four times a year, in addition to an estates visit, alternating between Blanchland and Seahouses. This allows the Trustees to see the estates, meet the farming and other tenants, and to discuss relevant issues with them and the management team.

The Charity is linked to the Lord Crewe's Library and Archives Trust (Charity number 1155101-3) and is unconnected with any other Charity, although it has granted £1,650 annually to Lord Crewe's Durham Apprenticeship Fund, as one of the sums specified in the Trust Deed. None of the Trustees of the Charity are on the board of the Apprenticeship Fund. During 2022 resolutions were passed by Lord Crewe's Charity Apprenticeship Fund (charity number 527409) and Lord Crewe's Durham Educational Foundation (charity number 527337) to merge with Lord Crewe's Charity which was completed on 30 March 2023.

e. KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees consider the Board of Trustees and the Clerk as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Clerk and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The Clerk is contracted to work for the Charity in accordance with terms of business agreed in 2022.

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Reference and Administrative Details

Title	Lord Crewe's Charity		
Charity Registration Number	1155101		
Registered Address	Cuthbert House Durham DH1 3RY		
Trustees:		Appointed	Resigned
Nominative	<i>By the Bishop of Durham:</i>		
	Mr James MF Fenwick	24.08.15	13.11.22
	The Venerable R G Cooper	24.02.19	
	<i>By the Bishop of Newcastle:</i>		
	The Venerable Dr C Sourbut-Groves	18.02.22	
Co-optative	Mr John H Blackett-Ord	30.06.06	
	Mr John P P Anderson	19.04.03	18.02.23
	Mrs Francesca E Trevelyan	19.01.23	
	Mr William F Watson-Armstrong	21.01.23	
	Mr Simon F Riddell	14.02.23	
Ex-officio	Professor H R Woudhuysen, The Rector of Lincoln College, Oxford	01.09.12	
The Clerk	Mr M W Orde		
The Receiver	Mr A R Harle		
Bankers	Barclays Bank plc 6 Market Place Durham, DH1 3ND		
Auditors	Azets Audit Services Statutory Auditor Chartered Accountant Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS		
Solicitors	Womble Bond Dickinson (UK) LLP One Trinity Broad Chare Newcastle upon Tyne NE1 2HF		
Investment Managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ		

LORD CREWE'S CHARITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objects of the Charity, after meeting the costs of managing itself and its properties, and paying a number of annual sums specified in the Trust Deed (totalling £6,370 in 2022), are;

The advancement of Christian religion by:

- (a) augmenting the stipends of necessitous clergy and their dependents in the Dioceses of Durham and Newcastle, particularly for the education of their children, and assisting them in other demonstrable need; and
- (b) the repair or construction of churches, chancels and parsonages in an ecclesiastical parish in which the Charity owns land or to which the Charity has the right of presentation to the benefice; and
- (c) providing financial support to Anglican clergy of various ecclesiastical parishes as determined by the Trustees from time to time for religious education within those parishes.

The relief of poverty by providing financial and other forms of charitable relief for the general benefit of the inhabitants of the Dioceses of Durham and Newcastle, giving preference to people and groups resident in parishes where the Charity owns land or has the right of presentation to the benefice.

The advancement of education by:

- (d) providing financial subsidies to university students at Lincoln College at the University of Oxford, or for any other charitable purposes connected with Lincoln College; and
- (e) providing other financial subsidies to educational institutions, whether in the ecclesiastical parish in which the Charity owns land or has the right of presentation to the benefice or otherwise, specifically including the City of Durham.

For other charitable purposes which the the Trustees shall from time to time determine for the benefit of residents of the ecclesiastical parishes in which the Charity owns land or to which the Charity has the right of presentation to the benefice.

The relief of sickness (including physical, mental, emotional and spiritual) by providing such assistance (financial and otherwise) to such beneficiaries resident in the Dioceses of Durham and Newcastle as the Trustees shall from time to time decide.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The Charity also furthers its charitable purposes for the public benefit by contributing to the running costs of the Sharp Libraries of modern theology for the benefit of clergy, readers and University students in Durham and Newcastle, but also open to all with a genuine interest. This is achieved through the associated charity The Lord Crewe's Libraries and Archives Trust, Registered Charity no. 1155101-3.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The principal beneficiaries of grant aid are the stipendiary clergy of the two Dioceses and their dependants. The Trustees are conscious of the financial pressures facing many of them. Financial assistance with the costs incurred whilst educating their dependents (from the primary stage through to higher education), Chair's grants to address individual cases of hardship, and resettlement grants assisting with costs of moving from clergy housing on retirement are three examples of practical means of easing these difficulties.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Whereas the maintenance and proper management and development of its estates and properties remains a key priority, any surplus arising in the estate revenue account and the income arising out of its financial investments enables the Trustees to further the Charity's aims by the making of grants.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

In 2021 the Trustees agreed a further three year programme for clergy support through the Dioceses (2022 - 2024) and for two further academic years for Lincoln College (2022/3 & 2023/4).

Significant activities during the year which form the bulk of what is reported in the Statement of Financial Activities were:

- The on-going management of the Charity's estates and properties, including routine repairs to maintain capital values and income levels, significant refurbishments or improvements usually resulting in increased income, and from time to time major projects significantly uplifting capital values and income as a result of substantial investment in a property.
- The making of grants, particularly to clergy and their families in the dioceses of Durham and Newcastle, and also to other eligible beneficiaries.

The Charity owns the contents of the Sharp Libraries in Durham and Newcastle and makes them available to all clergy, ordinands and readers in the two dioceses, as well as to University students. The Charity also owns the Bamburgh Library (printed books collection from 17th Century onwards), held by the Durham University Library Special Collections, and the Bamburgh Music Library held by Durham Cathedral Library.

The Charity continues to review its systems, partly in the light of recommendations from successive audits, and also to achieve greater administrative efficiency.

Achievements and performance

a. REVIEW OF ACTIVITIES

In 2022 the Charity supported individual members of the clergy in the Dioceses of Durham and Newcastle by making:

- 80 educational grants totalling £119,656 to members of the clergy in support of the education of their children. (These grants related to two educational years – second instalments of grants for 2021-22 and first instalments of grants for 2022-23). Educational grants contain an element of scaling, to ensure those on the lowest incomes within the family income threshold of £55,530 received grants proportionately larger grants than those at the higher end of the scale.
- 11 grants totalling £14,250 to members of the clergy to assist with specific instances of hardship and 11 grants totalling £19,250 to assist clergy moving out of church housing on retirement. During 2022, in response to the rise in energy costs, fuel support grants totalling £237,000 were awarded to clergy living in diocesan housing.

In 2022 the Charity provided £135,000 to Lincoln College for charitable purposes comprising £50,000 Support for Undergraduates, £50,000 Support for Postgraduates and £35,000 for Junior Research Fellow in Music.

The Charity also made a grant totalling £120,000 to the Diocese of Newcastle for a package of approved projects to support clergy through services including pastoral care and counselling, mentoring, continuing ministerial development, and support for engagement in parishes in areas of high deprivation.

A grant of £197,062 was made to Durham Diocese for the Bridge Project, assisting congregations to work with their parish community and together seek its wellbeing, and for pastoral care and counselling to support clergy wellbeing.

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Grants to other organisations included £6,000 to the Seahouses Youth Project and £10,000 to the Farnes Outreach Project.

The Trustees awarded a range of grants totalling £1,591,333 to reflect the fact that 2021 was the tercentenary year of the Charity including: £285,778 to Durham Diocese including £145,238 for a rural West Durham nursing project and £140,540 for an asylum seekers project; £400,000 to Newcastle Diocese including £100,000 for a youth and children's project and £300,000 for the Byker Lighthouse project; £2,555 to refurbish the Seahouses Hostel kitchen; £6,000 to Noth Sunderland PCC for interpretation boards; £600,000 to Lincoln College for refurbishment and improvements to their historic property, £20,000 for the Bamburgh play park; £5,000 to Seahouses Development Trust for a web booking system in addition to £15,000 for tennis courts; £20,000 to the Blanchland Abbey project. 313 fuel support grants were awarded to individual clergy totalling £237,000.

Rathbones continue as Investment Managers working with the Trustees' independent investment adviser, who assists on setting targets and reporting, and who reviews the investment policy.

Savills continue as the Charity's Estate Managers, with Mr Harle as Receiver.

There were no significant positive or negative factors affecting the achievement of objectives in 2022 compared to 2021 or affecting future plans for 2023 and beyond. The financial base of the Charity through its endowment and the management of the estates by Savills and the investment portfolio by Rathbones ensure that the Charity continues on a sound financial footing.

Financial review

a. FINANCIAL REVIEW

The two primary sources of income for the Charity are from the estates and from the investment portfolio.

In 2022 the net income from these sources was:

Funding Source	Total	% of total income
Estates (net income)	£802,466	74.3%
Investment Portfolio (net income)	£269,018	24.9%
Other	£8,982	0.8%
Total	£1,080,466	100.00%

b. RESERVES POLICY

The Trustees consider the assets to be sufficient to fulfil the Charity's obligations in respect of keeping its property properly repaired, paying its creditors and maintaining adequate funds to provide financial assistance to necessitous clergy and other potential beneficiaries. In order that they can enable the Charity to carry out its purpose effectively, the Trustees' current policy is to maintain sufficient unrestricted reserves to meet at least six months' worth of outgoings, £500,000 from the Charity's funds, assuming payments continue at the average of the last three years.

They also maintain an Extraordinary Repair Fund (ERIF) against unforeseen expenditure required by the estates. In the past this had been maintained at an artificially high level to guard against major unforeseen expenditure. Since 2013 ERIF has been maintained at a level of £250,000, equivalent (and additional) to the amount budgeted each year for planned maintenance.

LORD CREWE'S CHARITY TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees also maintain a minimum balance of £50,000 in the Charity's current account, to meet any immediate or urgent calls on grant funding.

The total funds of the Charity are £51,943,236 of which £47,600,027 are restricted. The unrestricted free reserves of the Charity at 31 December 2022 were £4,343,209 of which £5,952,392 are invested in stocks and shares, leaving (£1,609,183) within current liabilities. This represents approximately 543% of the minimum target reserves. The unrestricted funds include the designated Extraordinary Repair Fund of £250,000.

Bearing in mind recent difficulties and volatilities surrounding the economy and in particular uncertainty about the funding of agriculture, the Trustees' policy is to maintain sufficient reserves to ensure the continuation of the Charity's activities whilst alternative means of income can be obtained.

Trustees are actively progressing the application of that part of the reserves which arises from unallocated income, to include estates expenditure to safeguard future income and additional spending on the Charity's charitable objectives within the scope of the Charity's constitution.

c. 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.

d. MATERIAL INVESTMENTS POLICY

Asset allocation

As at 31 December 2022, the allocation of assets, at valuation, was as follows:

	As at 31 Dec 2022 £	% of total	As at 31 Dec 2021 £	% of total
Investment Property	£42,157,719	80.75%	£39,947,874	77.59%
Other Investments	£10,052,180	19.25%	£11,536,504	22.41%
Total	£52,209,899	100.00%	£51,484,378	100.00%

Fund allocation considerations

The assets of the Charity are held for several different accounts as follows:

- Personal Estate Account and Endowed Assets, comprising land, properties and other investments, are not available for distribution and are regarded as long-term investments.
- The Libraries and Archives Trust's investments and other net assets are included in the Charity's balance sheet.
- Extraordinary Repair Fund, maintained to provide for extraordinary repairs, improvements or rebuilding of properties. This fund is regarded as a medium to long-term investment, in the expectation that it may be partly utilised whenever a major expenditure requirement arises.
- Other funds, which should be maintained in a sum sufficient to meet the annual expenses and disbursements of the Charity, are regarded as short term.

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e. INVESTMENT POLICY AND PERFORMANCE

General Investment Policy

The Charity was endowed by its benefactor with lands and property, a significant proportion of which it still owns. These land and buildings and the equity investments referred to below, are regarded as providing the balanced spread of investments necessary to provide for the income and growth needs of the Charity.

The Trustees seek exposure to good quality, carefully selected equities and other stock consistent with the short-term income requirements, via a well-diversified portfolio in order to manage risk, which also provides a growing stream of dividend income which at least matches and preferably exceeds the rate of inflation and which is reflected in increasing capital value over time.

The Charity's investment policy was last agreed in 2013 and reviewed in 2022. In November 2014 the Trustees appointed an independent investment manager to review investment policy, help set targets and comment on investment performance, and develop reporting with Rathbones. The Trustees continue to believe that a long term view is the way forward for the Charity.

Ethical Investment Policy

Ethical considerations form an integral part of the investment management process and Rathbones have sought and received instructions from the Charity. The investment managers seek to invest in companies that will successfully develop their business financially in the interests of their shareholders, but which also demonstrate responsible employment practices and are conscientious concerning issues of corporate governance, environmental performance and human rights and are sensitive to the communities in which they operate. Companies are monitored according to the Church of England ethical investment policy and through a developing dialogue with them.

Investment Performance

An income target for each year to 31 December is agreed with the investment managers at the start of the year. The bespoke portfolio is managed by Rathbones. The portfolio returned 3.22% compared to the primary benchmark agreed within the investment policy of 3.5%.

The agreed income target for the year to 31 December 2022 was £310,000. Actual investment income received was £323,704. The risk profile of the investments is categorised by the investment managers as "medium". During the year, investment asset losses of £1,430,545 were made (an average loss of 14.23% on investment assets held) against a long-term benchmark for assets under this risk profile of 1.3%. The Trustees consider this overall performance to be acceptable in the context of prevailing market conditions.

As at 31 December 2022 the total investment asset split was as follows:

Asset Class	Asset Value £	Asset % of Total Assets
Fixed Income	£944,905	9.4%
UK Equities	£4,352,594	43.3%
Overseas Equities	£3,146,332	31.3%
Alternatives	£1,125,844	11.2%
Cash	£482,505	4.8%
Total	£10,052,180	100.0%

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

f. RISK MANAGEMENT

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

The Charity benefits from the strength and stability of its financial position, due to its endowment and its mix of residential, commercial and agricultural estates and its investment portfolio. While income may be subject to economic conditions beyond the control of the Trustees, this is mitigated by the standard of professional estates and investment management advice engaged on the Charity's behalf. The Trustees are able to take a long term view of investment and financial performance.

Because of this financial strength the Trustees are able to maintain the reserves policy outlined under Financial Review above. The Charity maintains reserves sufficient to meet at least six months' outgoings, which should be sufficient to deal with any unforeseen situations and allow time for any remedial action necessary to be undertaken.

The Charity's Risk Management Strategy provides:

- A quarterly review of the principal risks and uncertainties faced by the Charity and its associated charities.
- Policies, systems and procedures to mitigate risks identified in the review.
- Thus managing any potential impact on the Charity and its beneficiaries should these or other risks materialise.

Fundraising

The charity is required to report how it deals with fundraising from the public. As an endowed charity the Charity does not raise funds from the public by any method.

Plans for the future

a. FUTURE DEVELOPMENTS

The Trustees undertake an annual review of spending plans at the beginning of each year.

2021 marked the three hundredth anniversary of the death of Lord Crewe and therefore the Tercentenary of the Charity. The Charity has embarked on a series of grants and other activities in its celebration; the funded projects are in the course of being completed.

LORD CREWE'S CHARITY
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's

AUDITOR

Azets Audit Services Limited, trading as Azets Audit Services, were appointed as auditors to the charity following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 28 April 2023. Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

This report was approved by the Trustees and signed on their behalf by:



The Venerable Robert Cooper (Chair of the Trustees)

Date: 28 April 2023

LORD CREWE'S CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LORD CREWE'S CHARITY

OPINION

We have audited the financial statements of Lord Crewe's Charity (the 'Charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of its incoming resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Trustee Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

LORD CREWE'S CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LORD CREWE'S CHARITY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the Charities Act as well as compliance regulations relating to the ownership and letting of property, including Health and Safety.

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

LORD CREWE'S CHARITY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LORD CREWE'S CHARITY

USE OF THE REPORT

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of
Azets Audit Services
Statutory Auditor
Chartered Accountant
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 12/5/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LORD CREWE'S CHARITY

Statement of Financial Activities for the year ended 31 December 2022

		<i>Note 1</i>			2022	2021
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
		£	£	£	£	£
Income and endowments from:						
Investments	3	1,662,322	-	-	1,662,322	1,588,995
Other	4	8,982	-	-	8,982	14,194
Total income and endowments		1,671,304	-	-	1,671,304	1,603,189
Expenditure on:						
<i>Raising funds:</i>						
Investment management costs	5	568,855	302	21,681	590,838	741,142
<i>Charitable activities:</i>						
Payments under the Will and to Lincoln College Oxford	7	146,814	-	-	146,814	161,482
Educational support of clergy dependants	7	136,407	-	-	136,407	178,075
Diocese support	7	318,528	-	-	318,528	346,496
Clergy support	7	38,107	-	-	38,107	54,809
Maintenance of Library	7	-	37,249	-	37,249	15,147
Miscellaneous charitable giving	7	1,675,592	-	-	1,675,592	244,729
Total cost of charitable activities		2,315,448	37,249	-	2,352,697	1,000,738
Total Expenditure		2,884,303	37,551	21,681	2,943,535	1,741,880
Net gains/(losses) on investments	11a&b	(845,781)	(8,036)	1,334,327	480,510	5,551,968
Net income/(expenditure)		(2,058,780)	(45,587)	1,312,646	(791,721)	5,413,277
Transfer between funds	12	(353,039)	37,249	315,790	-	-
Net movement in funds		(2,411,819)	(8,338)	1,628,436	(791,721)	5,413,277
Reconciliation of funds:						
Total fund brought forward	15 - 17	6,755,028	64,680	45,915,249	52,734,957	47,321,680
Total funds carried forward	15 - 17	4,343,209	56,342	47,543,685	51,943,236	52,734,957

LORD CREWE'S CHARITY

Balance Sheet as at 31 December 2022

		Note 1			2022	2021
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
		£	£	£	£	£
Fixed Assets						
Investment Property	11a	-	-	42,157,719	42,157,719	39,947,874
Other Investments	11b	5,952,392	56,342	4,043,446	10,052,180	11,536,504
Total Fixed Assets		<u>5,952,392</u>	<u>56,342</u>	<u>46,201,165</u>	<u>52,209,899</u>	<u>51,484,378</u>
Current Assets						
Debtors	13	98,341	-	-	98,341	73,218
Cash at bank and in hand		(711,404)	-	1,342,520	631,116	1,491,153
Total Current Assets		<u>(613,063)</u>	<u>-</u>	<u>1,342,520</u>	<u>729,457</u>	<u>1,564,371</u>
Current Liabilities						
Creditors - amounts falling due within one year	14	(996,120)	-	-	(996,120)	(313,792)
Net Current Assets		<u>(1,609,183)</u>	<u>-</u>	<u>1,342,520</u>	<u>(266,663)</u>	<u>1,250,579</u>
Total Assets less Current Liabilities		<u>4,343,209</u>	<u>56,342</u>	<u>47,543,685</u>	<u>51,943,236</u>	<u>52,734,957</u>
Total Net Assets		<u>4,343,209</u>	<u>56,342</u>	<u>47,543,685</u>	<u>51,943,236</u>	<u>52,734,957</u>
The funds of the charity:						
Endowment fund	15	-	-	47,543,685	47,543,685	45,915,249
Income funds:						
Restricted funds	16	-	56,342	-	56,342	64,680
Designated funds	17	250,000	-	-	250,000	250,000
Unrestricted general funds		4,093,209	-	-	4,093,209	6,505,028
Total Charity Funds		<u>4,343,209</u>	<u>56,342</u>	<u>47,543,685</u>	<u>51,943,236</u>	<u>52,734,957</u>

Note 1: Non-designated and Designated Funds have been combined in the SOFA and Balance Sheet as "Unrestricted Funds". An analysis of Designated Funds is given in Note 17.

Approved by the Board of Trustees on 28 April 2023 and signed on their behalf by:



The Venerable Robert Cooper, Chair of the Trustees.

The notes on pages 18 to 31 form part of these financial statements.

LORD CREWE'S CHARITY

Statement of Cash Flows for the year ended 31 December 2022

	Note	2022 Total Funds £	2021 Total Funds £
Net cash used in operating activities	19	(2,217,749)	(1,567,620)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,656,502	1,590,564
Proceeds from sale of investments		17,000	858,000
Purchase of investments		(315,790)	(305,413)
Net cash provided by investing activities		1,357,712	2,143,151
Change in cash and cash equivalents in the year		(860,037)	575,531
Cash and cash equivalents brought forward		1,491,153	915,622
Cash and cash equivalents carried forward		631,116	1,491,153

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank	631,116	1,491,153

Analysis of changes in net debt

	1 January 2021 £	Cash Flows £	31 December 2022 £
Cash and cash equivalents	1,491,153	(860,037)	631,116

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting Policies

a. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

Lord Crewe's Charity (Charity No. 1155101) is governed by its new constitution as a Charitable Incorporated Organisation.

A linked charity, Lord Crewe's Library and Archives Trust (Charity No. 1155101-3), owns the libraries and archives collections currently held at Durham Cathedral, Durham University, the North East Religious Learning Resource Centre, and the Northumberland Records Office. This is governed by its Deed of Trust dated 31 December 2013.

Prior to its incorporation as a CIO (on 1 January 2014), the activities of the Lord Crewe's Charity were carried out by a separate unincorporated charity (charity number 230347). The Charities Commission directed that this charity and the Lord Crewe's Library and Archives Trust (charity number 1155101-3) shall be treated as forming part of the Lord Crewe's Charity (charity number 1155101) for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS102.

b. Going concern

The Charity has cash resources and has no requirement for external funding. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees consider it appropriate that the annual financial statements are prepared on a going concern basis.

c. Personal estate account and endowed assets

The endowed assets of the Charity comprising land and properties are included in the Balance Sheet at open market value. Acquisitions and disposals of land and property are accounted for in the Balance Sheet on the legal completion of transactions. Amounts realised from the disposal of assets of the endowment are credited to the Personal Estate. Amounts expended to enhance the capital value of investment properties are added to the Personal Estate. The accumulated amounts of the Personal Estate Account are invested by the Trustees and form part of these accounts.

d. Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Quoted investments are included in the Balance Sheet at their fair value (market value) using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

e. Debtors and current assets

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

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

f. Creditors and provisions for liabilities and charges

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 after allowing for any trade discounts due.

g. Income recognition

All incoming resources are recognised in the year they are earned, once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. All incoming resources receivable from Endowment assets are recognised as unrestricted income in the accounts.

h. Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Grants have been made in accordance with the provisions of the Will of Lord Crewe and the various schemes approved by the Charity Commission. Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

i. Allocation of overhead and support costs

Overhead, support and governance costs relating to charitable activities have been apportioned to each activity based on the number of individual grant awards.

j. Governance costs

Governance costs comprise all costs involving the accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

k. Expenditure on investment properties

Expenditure to repair or maintain investment properties is expensed to the Statement of Financial Activities in the year in which it is incurred. Expenditure on properties of a capital nature over £1,000 is capitalised. Such additions to investment properties are not depreciated, in line with accounting standards.

l. Extraordinary repair fund

The Extraordinary Repair Fund is a designated Fund and is maintained for the purpose of providing for extraordinary repairs, improvements or rebuilding of properties of the Charity.

m. Lord Crewe's Libraries and Archives Trust (previously called Dr. Sharp's Trust)

The books and property of the Libraries and Archives Trust are not regarded as fixed assets and do not appear in the Balance Sheet of the Trust. The investments and other net assets of the Trust are included in the Balance Sheet and the Personal Estate Account and Revenue Account of the Trust are treated as Restricted Funds.

The Libraries and Archives Trust is a separate charity (1155101-3) that is linked to the Lord Crewe's Charity and is treated as forming part of this Charitable Incorporated Organisation under part 8 (accounting) of the Charities Act 2011.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

n. Heritage assets

Heritage assets are tangible assets with historical, artistic or scientific importance that are held to advance preservation or conservation objectives.

The Trustees consider that some books and property of the Libraries and Archives Trust, the Bamburgh library and the Lord Crewe records held at the Northumberland Archives in Woodhorn fall under the definition of Heritage assets. These assets have not been capitalised as valuations for them cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements.

o. Pension Scheme

The Charity provides an employer pension scheme. The scheme is a defined contribution scheme. Contributions to defined contributions plans are recognised as an expense in the period in which the related service is provided.

2. Charity status and charitable objects

The Lord Crewe's Charity is a Charitable Incorporated Organisation registered in the UK under the 1960 Charities Act and is accorded exemption from liability to taxation on its income under S521 to 536 Income Tax Act 2007. The Libraries and Archives Trust is a linked charity. The Lord Crewe's Charity exists to apply the income arising from land and assets of the Charity in accordance with its new constitution registered on 20 December 2013.

3. Investment Income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Total income from properties	1,337,354	-	-	1,337,354	1,265,790
Income from Listed Investments and deposits					
Dividends and interest on listed investments	324,968	-	-	324,968	323,205
Total income from listed investments and deposits	324,968	-	-	324,968	323,205
Total Investment Income	1,662,322	-	-	1,662,322	1,588,995
2021	1,588,995	-	-	1,588,995	

4. Other Income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Other Income	8,982	-	-	8,982	14,194
	8,982	-	-	8,982	14,194
2021	14,194	-	-	14,194	

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Investment management costs

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Property costs	346,080	-	-	346,080	487,070
Travel and subsistence related costs	1,524	-	-	1,524	35
Subscriptions	2,251	-	-	2,251	8,156
Accountancy - property related	922	-	-	922	868
Professional fees - property related	184,111	-	-	184,111	190,193
Professional fees - other investments	33,967	302	21,681	55,950	54,820
	<u>568,855</u>	<u>302</u>	<u>21,681</u>	<u>590,838</u>	<u>741,142</u>
2021	<u>719,721</u>	<u>294</u>	<u>21,127</u>	<u>741,142</u>	

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Allocation of support costs and overheads

The breakdown of support costs and how these were allocated is shown below:

Charitable Activities	Unrestricted activities	Restricted activities	Total activities	2021 Total	Basis of apportionment
	£	£	£	£	
Office	1,578	-	1,578	9,599	Cost and usage
Communications	5,160	-	5,160	2,798	Cost and usage
Printing, postage and stationery	1,955	-	1,955	955	Cost and usage
Administration salaries	-	-	-	17,305	Staff time
Management	24,230	-	24,230	8,208	Cost and usage
Accountancy	8,294	-	8,294	7,811	Staff time
Tercentenary	35,787	-	35,787	25,362	Cost and usage
Libraries and archives	-	5,783	5,783	5,700	Specific
Governance costs	20,989	-	20,989	10,228	Cost
	97,993	5,783	103,776	87,966	

The total support cost attributable to charitable activities is apportioned *pro rata* to the number of grants awarded:

	£
Payments under the Will and to Lincoln College Oxford	5,444
Educational support of clergy dependants	16,751
Diocese support	1,466
Clergy support	4,607
Libraries and Archives	7,249
Grants to other institutions	418
Tercentenary grants	67,841
Total charitable activities costs	103,776

The £7,249 allocated to the Libraries and Archives activity is classified as restricted expenditure within the accounts.

Analysis of governance costs

	Total Funds 2022	Total Funds 2021
	£	£
Trustees' expenses and meetings costs	2,159	578
Audit Fee current year	7,000	5,750
Professional and Legal fees	11,830	3,900
	20,989	10,228

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7 Analysis of charitable activities expenditure

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Payments under the Will and to Lincoln College Oxford:					
grant funded activity	141,370	-	-	141,370	148,020
support costs and overheads	5,444	-	-	5,444	13,462
	146,814	-	-	146,814	161,482
Educational support of clergy dependants:					
grant funded activity	119,656	-	-	119,656	133,701
support costs and overheads	16,751	-	-	16,751	44,374
	136,407	-	-	136,407	178,075
Diocese support					
grant funded activity	317,062	-	-	317,062	345,000
support costs and overheads	1,466	-	-	1,466	1,496
	318,528	-	-	318,528	346,496
Clergy support:					
grant funded activity	33,500	-	-	33,500	40,350
support costs and overheads	4,607	-	-	4,607	14,459
	38,107	-	-	38,107	54,809
Libraries and Archives:					
grant funded activity	-	24,000	-	24,000	1,951
direct costs	-	6,000	-	6,000	6,000
support costs and overheads	-	7,249	-	7,249	7,196
	-	37,249	-	37,249	15,147
Grants to other institutions					
grant funded activity	16,000	-	-	16,000	26,000
support costs and overheads	418	-	-	418	1,993
	16,418	-	-	16,418	27,993
Tercentenary Grants					
grant funded activity	1,591,333	-	-	1,591,333	211,750
support costs and overheads	67,841	-	-	67,841	4,986
	1,659,174	-	-	1,659,174	216,736
Total costs of charitable activities	2,315,448	37,249	-	2,352,697	1,000,738
2021	985,591	15,147	-	1,000,738	

The support costs and overheads of £7,249 allocated to the Libraries and Archives activities includes £5,783 detailed as restricted activities and £1,466 detailed as restricted support costs.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Trustees' remuneration and related party transactions

Trustees received no emoluments in the year (2021: £nil). Travel and accommodation expenses reimbursed to two trustees, in the year totalled £1,359 (2021 one trustee: £578).

The Venerable R Cooper is a Trustee of the Charity. He received an education grant of £2,585 in 2022 (2021: £2,393) and a fuel support grant of £1,500 (2021:Nil).

The Reverend Canon J S Bain was a Trustee of the Charity. He received a resettlement grant of £Nil in 2022 (2021: £1,750)

The Rector of Lincoln College, Oxford is a trustee of the Charity. Under the terms of the will, scholarships and bursaries were paid to undergraduates and graduates of Lincoln College totalling £135,000 in 2022 (2021: £140,000) in addition to a grant for Tercentenary projects of £600,000 (2021: Nil). Other Trustees (the three Archdeacons) have an institutional interest in the Dioceses of Durham and of Newcastle. In 2022 annual grants of £120,000 (2021: £120,000) was paid to Newcastle Diocese and £197,062 (2021: £225,000) to Durham Diocese in addition to grants for Tercentenary projects of £400,000 (2021: Nil) and £285,778 (2021:Nil) respectively. On all occasions Trustees declare any institutional interest and take no part in the voting of such grants.

9. Analysis of staff costs

	2022	2021
	£	£
Salaries	-	16,173
Pension to employees	-	1,132
	<u>-</u>	<u>17,305</u>
	<u>-</u>	<u>17,305</u>
The average number of employees during the year (full-time equivalent) was:	<u>-</u>	<u>1</u>

The Charity considers its key management personnel comprise the Trustees and the Clerk. The total employment benefits including employer pension contributions of the key management personnel were £Nil (2021: £17,305). No employee had emoluments in excess of £60,000 (2021: none).

During the current year, the Clerk was self employed and charged the Charity £24,230 (2021: £8,208) for services provided.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Comparative for Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Income and endowments from:				
Donations and Legacies	-	-	-	-
Investments	1,588,995	-	-	1,588,995
Other	14,194	-	-	14,194
Total income and endowments	1,603,189	-	-	1,603,189
Expenditure on:				
<i>Raising funds:</i>				
Investment management costs	719,721	294	21,127	741,142
<i>Charitable activities:</i>				
Payments under the Will and to Lincoln College Oxford	161,482	-	-	161,482
Educational support of clergy dependants	178,075	-	-	178,075
Diocese support	346,496	-	-	346,496
Clergy support	54,809	-	-	54,809
Maintenance of Library	-	15,147	-	15,147
Miscellaneous charitable giving	244,729	-	-	244,729
Total cost of charitable activities	985,591	15,147	-	1,000,738
Total Expenditure	1,705,312	15,441	21,127	1,741,880
Net gains on investments	649,571	6,171	4,896,226	5,551,968
Net income/(expenditure)	547,448	(9,270)	4,875,099	5,413,277
Transfer between funds	(320,560)	15,147	305,413	-
Net movement in funds	226,888	5,877	5,180,512	5,413,277
Reconciliation of funds:				
Total fund brought forward	6,528,140	58,803	40,734,737	47,321,680
Total funds carried forward	6,755,028	64,680	45,915,249	52,734,957

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Fixed Asset Investments

11a. Unquoted Investments - Investment property

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Valuation as at 1 January 2022	-	-	39,947,874	39,947,874	36,047,114
Additions	-	-	315,790	315,790	305,413
Proceeds from disposals	-	-	(17,000)	(17,000)	(858,000)
Net increase on disposals and revaluations	-	-	1,911,055	1,911,055	4,453,347
Valuation as at 31 December 2022	-	-	42,157,719	42,157,719	39,947,874
Cost as at 31 December 2022	-	-	3,919,707	3,919,707	3,603,917

An informal valuation of the properties was carried out by Savills as at 31 December 2022 and the property valuations included in the accounts as at this date. Properties were valued at Open Market Value.

11b. Quoted Investments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Investments at market value 1 January 2022	6,829,969	64,680	4,641,855	11,536,504	10,490,291
Management fees	(31,796)	(302)	(21,681)	(53,779)	(52,408)
Investment gains/(losses) on disposals and revaluations	(845,781)	(8,036)	(576,728)	(1,430,545)	1,098,621
Investments at market value 31 December 2022	5,952,392	56,342	4,043,446	10,052,180	11,536,504
Cost as at 31 December 2022	5,232,963	49,721	3,568,293	8,850,977	8,962,461

Analysis of investments at market value

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Quoted Investments	5,952,392	56,342	4,043,446	10,052,180	11,536,504
	5,952,392	56,342	4,043,446	10,052,180	11,536,504

Financial instruments measured at fair value equivalent to market value comprise quoted investments. The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Market conditions may limit the investment options available at any one time within the Charity's stated policy on risk and return.

As an organisation which has existed since 1721 and which in addition to its investment portfolio has large holdings of agricultural, commercial and residential property, the Charity is not solely reliant on dividend income from the investment portfolio and in general takes a long term view on investment policy and performance. The Charity manages these investment risks by retaining expert investment managers who manage the portfolio on a discretionary basis, with regular reporting to trustees and information provided electronically and available on line on at least a monthly basis. In addition the Trustees retain an independent investment adviser to assist them in monitoring and assessing the performance of the investment managers.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Fund transfers

Transfers of £37,249 (2021: £15,147) have been made from unrestricted funds to the Libraries and Archives Trust Restricted Fund, representing the maintenance of the Durham and Newcastle Sharp Libraries.

Transfers of £315,790 (2021: £305,413) have been made from unrestricted funds to the Endowment Fund, representing the additions to the property portfolio.

13. Debtors

	Total Funds 2022 £	Total Funds 2021 £
Prepayments	7,030	3,847
Accrued income	48,595	49,062
Amounts due from tenants	42,716	20,309
	<u>98,341</u>	<u>73,218</u>

All debtors relate to Unrestricted Funds.

14. Creditors - Amounts falling due within one year

	Total Funds 2022 £	Total Funds 2021 £
Accruals and sundry creditors	816,191	140,855
Trade creditors	44,430	17,051
Payroll taxes and Value Added Tax	4,365	27,216
Amounts prepaid by Tenants	-	6,818
Deferred Income	67,765	55,066
Tenants' bonds	63,369	66,786
	<u>996,120</u>	<u>313,792</u>

All creditors relate to Unrestricted Funds.

14a. Deferred Income

	Total Funds 2022 £	Total Funds 2021 £
Deferred Income b/fwd	55,066	54,390
Deferred in the year	67,765	55,066
Released in the year	(55,066)	(54,390)
	<u>67,765</u>	<u>55,066</u>

Deferred Income c/fwd

Deferred income relates to rental income received in advance.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Endowment Fund

	Balance as at 1 January	Amounts Expended	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2022				2022
	£	£	£	£	£
Personal Estate	45,915,249	(21,681)	1,334,327	315,790	47,543,685

	Balance as at 1 January	Amounts Expended	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2021				2021
	£	£	£	£	£
Personal Estate	40,734,737	(21,127)	4,896,226	305,413	45,915,249

The Personal Estate comprises the endowed properties set out in the Schedule to the Scheme of 8 August 1974, together with expenditure incurred in 1996 of £118,630, £60,584 in 2017, £204,466 in 2018, £212,309 in 2019, £318,965 in 2020, £305,413 in 2021 and £315,790 in 2022, which enhanced the capital value of investment properties of the Personal Estate. All profits realised on disposals of property are added to the Personal Estate Account.

16. Restricted Funds

	Balance as at 1 January	Incoming Restricted funds	Outgoing Restricted funds	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2022					2022
	£	£	£	£	£	£
Libraries & Archives Trust Fund:						
Personal Estate Account	29,128	-	-	-	-	29,128
Revenue Account	35,552	-	(37,551)	(8,036)	37,249	27,214
	64,680	-	(37,551)	(8,036)	37,249	56,342

	Balance as at 1 January	Incoming Restricted funds	Outgoing Restricted funds	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2021					2021
	£	£	£	£	£	£
Libraries & Archives Trust Fund:						
Personal Estate Account	29,128	-	-	-	-	29,128
Revenue Account	29,675	-	(15,441)	6,171	15,147	35,552
	58,803	-	(15,441)	6,171	15,147	64,680

The Scheme of 8 August 1974 provides for the upkeep and provision of accommodation for the library of Dr Sharp. The income arising from the Personal Estate investments is primarily to be applied to this purpose. Surplus revenue is accounted for within the Revenue Account.

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Designated Funds

	Balance as at 1 January	Designations from Revenue	Expenditure movements	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2022					2022
	£	£	£	£	£	£
Extraordinary Repair Fund	250,000	-	-	-	-	250,000
	250,000	-	-	-	-	250,000

	Balance as at 1 January	Designations from Revenue	Expenditure movements	Gains / (Losses) on investments	Transfers	Balance as at 31 December
	2021					2021
	£	£	£	£	£	£
Extraordinary Repair Fund	250,000	-	-	-	-	250,000
	250,000	-	-	-	-	250,000

The Trustees have been directed by the Charity Commissioners by an Order dated 30 November 1992 that the Extraordinary Repair Fund shall be maintained by transfer to it, out of the Charity's income, of such annual sum sufficient for the purposes of the Fund which is to provide for extraordinary repairs, improvements or rebuilding of property of the Charity. The Extraordinary Repair Fund can be expended on Permanent Endowment property in almost any way. The expenditure could include adding extensions to existing buildings. The fund was reclassified as a designated fund during the year ended 31 December 2005.

18. Summary of Funds

	Note	Funds brought forward 1 January 2022	Incoming resources	Expenditure	Transfers	Gains / (losses)	Funds carried forward 31 December 2022
		£	£	£	£	£	£
Unrestricted funds							
General		6,505,028	1,671,304	(2,884,303)	(353,039)	(845,781)	4,093,209
Designated	17	250,000	-	-	-	-	250,000
		6,755,028	1,671,304	(2,884,303)	(353,039)	(845,781)	4,343,209
Restricted funds	16	64,680	-	(37,551)	37,249	(8,036)	56,342
Endowment funds	15	45,915,249	-	(21,681)	315,790	1,334,327	47,543,685
Total funds		52,734,957	1,671,304	(2,943,535)	-	480,510	51,943,236

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Summary of Funds - continued

	Funds brought forward 1 January 2021 £	Incoming resources £	Expenditure £	Transfers £	Gains / (losses) £	Funds carried forward 31 December 2021 £
Unrestricted funds						
General	6,278,140	1,603,189	(1,705,312)	(320,560)	649,571	6,505,028
Designated	250,000	-	-	-	-	250,000
	<u>6,528,140</u>	<u>1,603,189</u>	<u>(1,705,312)</u>	<u>(320,560)</u>	<u>649,571</u>	<u>6,755,028</u>
Restricted funds						
Endowment funds	58,803	-	(15,441)	15,147	6,171	64,680
	<u>40,734,737</u>	<u>-</u>	<u>(21,127)</u>	<u>305,413</u>	<u>4,896,226</u>	<u>45,915,249</u>
Total funds	<u><u>47,321,680</u></u>	<u><u>1,603,189</u></u>	<u><u>(1,741,880)</u></u>	<u><u>-</u></u>	<u><u>5,551,968</u></u>	<u><u>52,734,957</u></u>

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income	(791,721)	5,413,277
Adjustments for:		
Other investments management charges	53,779	52,408
(Gains) / Losses on investments	(480,510)	(5,551,968)
Dividends, interest and rents from investments	(1,671,304)	(1,603,189)
Decrease/(increase) in debtors	(10,321)	25,921
Increase/(decrease) in creditors	682,328	95,931
Net cash used in operating activities	<u>(2,217,749)</u>	<u>(1,567,620)</u>

20. Financial commitments

Financial commitments entered into at the end of the financial year were as follows:

	2022 £	2021 £
Contracted for but not provided for in the accounts - yet to be supplied by Savills	<u>90,559</u>	<u>287,562</u>

21. Grant Commitments

Grants awarded for payment in subsequent years, subject to certain conditions that are required to be met, therefore are not included in year end liabilities.

	2022 £	2021 £
Education Grants awarded for payment in March 2023	58,670	58,793
Fuel Support Grants awarded for payment in 2023	115,500	-
Tercentenary Grants awarded for payment in 2023 and 2024:		
Durham Diocese - Hartlepool Project	49,175	-
Durham Diocese - Jarrow Debt Advice Project	42,000	-
Newcastle Diocese - Youth & Children's Work Project	200,000	-
	<u>465,345</u>	<u>58,793</u>

LORD CREWE'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Contingent Liabilities

Contingent liabilities can exist in connection with tenants' improvements to properties where a change of tenant arises. In these circumstances, depending on the age and nature of the lease, the Trustees, as landlord, may be obliged to purchase the benefit of the outgoing tenant's improvements at an agreed value.

As at 31 December 2022 there were no immediate contingent liabilities of which the Trustees were aware in connection with agricultural leases. No contingent liabilities existed in respect of other leases.

23. Heritage Assets

As disclosed in Note 1 (Accounting policies), the Trustees consider that three categories of assets are Heritage Assets and can be summarised as follows:

Asset category	Details
Sharp Library	Mostly modern books held for theological research.
Bamburgh Library	The library comprises of music books and manuscripts and early printed works.
Archives at Woodhorn, the Northumberland Archives	This comprises maps and estate records dating from 1709 to the late 1900s.

The two Sharp Libraries (Durham and Newcastle) provide access to extensive collections of modern theology books for clergy, ordinands, and other Diocesan academic readers who may not have access to the libraries of University departments or other Higher Education institutions. They are also accessible to Theology students in addition to their academic libraries.

The Bamburgh Library held in the Special Collections Department of Durham University Library at Palace Green is an historic library of similar significance to the neighbouring Bishop Cosin's Library. The Bamburgh Library has its origins in the holdings of the Sharp family. These were partly sold to and partly gifted to the Trustees by Archdeacon Sharp in the late eighteenth century. It operated as a public lending library in Bamburgh Castle, even after the sale of the castle to Lord Armstrong. In 1958 it was moved to Durham. It includes notable collections of early science, history and anti-slavery literature, with volumes from the 17th Century onwards and a number of medieval manuscripts. The collection is of considerable academic and historical interest.

The Bamburgh Music Collection held at Durham Cathedral Library comprises around 40 music manuscripts, including secular and sacred, vocal and instrumental items. These are largely 17th and 18th century and were copied either by or for members of the Sharp family. They also include some music from the collection of the Hon. Edward Finch (1664-1738).

The Trustees consider that obtaining valuations for the books and other heritage assets in its care would involve disproportionate costs compared with the benefits derived by users of the accounts. Consequently no values are attributed to heritage assets in the balance sheet.

Further information relating to the management of and access to the assets is provided within the Activities for Achieving Objectives section of the Trustees' Report.