

St Michael's Centre Partnership Byker
Trustees' Annual Report & Financial Statements
31 March 2023

STEPHENSON COATES AUDIT LIMITED

Chartered Accountants & Statutory Auditor

West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

St Michael's Centre Partnership Byker

Financial Statements

Period ended 31 March 2023

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St Michael's Centre Partnership Byker

Trustees' Annual Report

Period ended 31 March 2023

The trustees present their first report for St Michael's Centre Partnership Byker ("the charity") and the unaudited financial statements of the charity for the period ended 31 March 2023.

Reference and administrative details

Registered charity name	St Michael's Centre Partnership Byker	
Charity registration number	1197866	
Other names	The Lighthouse Project (Working name)	
Principal office	St. Martins Centre Roman Avenue Newcastle upon Tyne NE6 2RJ	
The trustees	Rev Philip James Anthony Medley	Appointed 10 February 2022
	Simon Campbell	Appointed 1 November 2023
	Nigel Jamie Martin	Appointed 1 November 2023
	Simon Christopher Ross	Appointed 1 November 2023
	Mark Russell	Appointed 1 October 2023
	Stacey Davidson	Appointed 1 June 2023
	Mark Squires	Appointed 10 February 2022
	Isabella May McDonald-Booth	Appointed 10 February 2022
	David Topacho	Appointed 10 February 2022
	Rev John Ernest Sadler	Appointed 10 February 2022
	Rev Helen Barbara Gill	Appointed 10 February 2022
Independent examiner	Rachael Oswald BA ACA Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD	
Bankers	Natwest 4 Bridge Street Morpeth Northumberland NE61 1NG	

St Michael's Centre Partnership Byker

Trustees' Annual Report *(continued)*

Period ended 31 March 2023

Structure, governance and management

Governing document and membership:

St Michael's Centre Partnership Byker is a Charitable Incorporated Organisation (CIO) established on 10 February 2022, governed by its constitution. The Charity Registration number is 1197866.

Appointment and retirement of Trustees:

The Charity currently has eleven trustees. Recruitment of trustees is undertaken by the trustees as the need arises in order to ensure that charity trustees collectively have the necessary skills, knowledge and experience for the effective administration of the CIO.

New trustees are briefed on the powers and responsibilities of the trustees and are provided with a copy of the charity's current constitution. They are also briefed on the objectives of the charity and the recent financial performance of the charity.

Organisation

The charity is managed by the trustees, who meet at least quarterly, or more frequently if the need arises. The number of trustees may not be less than seven and is subject to a maximum of 12. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater.

Risk management

The trustees have carried out a risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

The objectives of the CIO are:

- a) to further or benefit the residents of Newcastle upon Tyne, in particular the east end of the city, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time in occupation with the objective of improving the conditions of life for the residents in accordance with the teaching of the Christian Church; in furtherance of these objects but not otherwise, the trustees shall have the power;
- b) to establish or secure the establishment of a youth and community centre and to maintain and manage such as a centre for activities promoted by the charity in furtherance of the above objects.

The main activities of the St Michael's Centre Partnership Byker has been consulting the community of Byker and key stakeholders in the Community around the feasibility, design and development of the Lighthouse based at St Michael's Church Byker: a purpose built space dedicated to youth provision and community activities in Byker.

Achievements and performance

Since starting the charity in February 2022, the CIO has been active in developing the concept and design of the Lighthouse. We were incredibly grateful to receive start-up funding from the Lord Crewe Trust and the Squires Foundation which enabled us to continue our consultations with the community and key stakeholders. This drove the early design and feasibility phases of the capital project led by our appointed Architects, Bradley McClure. The Trustees have been active in learning and consulting from other community organisations, youth work providers and capital developments across the country. This brought us to our decision in November 2022 to appoint an operations manager, Ben Roman, to lead and coordinate the project with the support of our Trustees and design team.

St Michael's Centre Partnership Byker

Trustees' Annual Report *(continued)*

Period ended 31 March 2023

Achievements and performance *(continued)*

The CIO was presented with an opportunity to apply to the Youth Investment Fund funded by the DCMS and administered by the Social Investment Board in the summer of 2022. We were successful in our initial expression of Interest application and then in January 2023 we were awarded a substantial pre-construction grant which allowed the project to continue to the final design phases and move towards gaining planning permission. A full application for a capital grant was sent to the SiB in this period and we have since announced in November 2023, that the Youth Investment fund has awarded the CIO a grant of £4,122,385 capital funding and £304,778 revenue. Further to this we successfully received full planning permission from Newcastle City council, as well as full statutory permissions from Newcastle Diocese and the Church of England to carry out the development. In keeping with our vision the CIO has entered into a 38 year lease on the St Michael's Church building and site with St Michael's Church and the Diocese of Newcastle.

Plans for future periods

The next financial year will see the development and construction of the Lighthouse at St Michael's, the appointment of key members of staff to support its operations and further work with our partner organisations and key stakeholders as we aim to open our doors in March 2025.

We are incredibly grateful to all of our funders who have shown such confidence in the project, the Squires Foundation, Lord Crewe and the Youth Investment fund.

Going Concern

The trustees 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 charity is considered to be a going concern.

Financial review and reserves policy

During the period to 31 March 2023, total income received by the charity was £226,022, of which £201,022 was restricted income and £25,000 was unrestricted income. Total expenditure for the period ended 31 March 2023 was £184,003 resulting in a net income position at period end of £42,019.

Unrestricted reserves at 31 March 2023 was £889, and restricted reserves was £41,120, giving an overall funds position for the charity at 31 March 2023 of £42,019.

As the Charity is in the set up and development phase, it currently does not have a reserves policy in place for the year ended 31 March 2023. The operational model is being developed for the running of the charity post the capital build and will be used to inform the reserves policy, which will be in place for the accounts year ended 31 March 2024.

St Michael's Centre Partnership Byker

Trustees' Annual Report *(continued)*

Period ended 31 March 2023

Statement of Trustees' Responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial 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 consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charities governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 31 January 2024 and signed on behalf of the board of trustees by:



Rev Philip Medley
Trustee, Chair

St Michael's Centre Partnership Byker
Independent Examiner's Report to the
Trustees of St Michael's Centre Partnership Byker
Period ended 31 March 2023

I report to the trustees on my examination of the financial statements of St Michael's Centre Partnership Byker ('the charity') for the period ended 31 March 2023, which are set out on pages 6 to 12.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Rachael Oswald BA ACA
Member of the ICAEW

Stephenson Coates Audit Limited
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

31 January 2024

St Michael's Centre Partnership Byker

Statement of Financial Activities (incorporating the income and expenditure account)

Period ended 31 March 2023

	Note	Unrestricted funds £	2023 Restricted funds £	Total funds £
Income and endowments				
Donations, gifts and grants	4	25,000	201,022	226,022
Total income		<u>25,000</u>	<u>201,022</u>	<u>226,022</u>
Expenditure				
Expenditure on charitable activities	5, 6	24,101	159,902	184,003
Total expenditure		<u>24,101</u>	<u>159,902</u>	<u>184,003</u>
Net incoming resources and net movement in funds		<u>899</u>	<u>41,120</u>	<u>42,019</u>
Reconciliation of funds				
Total funds brought forward		<u>—</u>	<u>—</u>	<u>—</u>
Total funds carried forward		<u>899</u>	<u>41,120</u>	<u>42,019</u>

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

The notes on pages 8-12 form part of these financial statements.

St Michael's Centre Partnership Byker

Balance Sheet

31 March 2023

		2023	
		£	£
Current assets			
Cash at bank and in hand		44,704	
		<u>44,704</u>	
Creditors: amounts falling due within one year	10	<u>2,685</u>	
Net current assets			<u>42,019</u>
Total assets less current liabilities			<u>42,019</u>
Net assets			<u><u>42,019</u></u>
Funds of the charity			
Unrestricted funds			899
Restricted funds			<u>41,120</u>
Total charity funds	12, 13		<u><u>42,019</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 31 January 2024, and are signed on behalf of the board by:

Rev Philip Medley
Trustee, Chair

The notes on pages 8-12 form part of these financial statements.

St Michael's Centre Partnership Byker

Notes to the Financial Statements

Period ended 31 March 2023

1. General information

The charity is a registered charity in England and Wales and is a charitable incorporated organisation (charity number 1197866). The address of the principal office is St. Martins Centre, Roman Avenue, Newcastle upon Tyne, NE6 2RJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

St Michael's Centre Partnership Byker meets the definition of a public benefit entity under FRS 102.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees are confident that the charity has sufficient working capital to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. Therefore, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty to report that have a significant risk of causing a material adjustment to the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

St Michael's Centre Partnership Byker

Notes to the Financial Statements *(continued)*

Period ended 31 March 2023

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Voluntary assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

First year accounts

St Michael's Centre Partnership Byker present their financial statements for the first reporting period since establishing. The period of account to which these financial statements relate is 10 February 2022 – 31 March 2023. There are no prior year comparative figures to report.

St Michael's Centre Partnership Byker

Notes to the Financial Statements *(continued)*

Period ended 31 March 2023

4. Donations & legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Grants			
Newcastle Diocese Board of Finance	–	50,000	50,000
The Squires Foundation	25,000	–	25,000
Social Investment Business Grant	–	151,022	151,022
	<u>25,000</u>	<u>201,022</u>	<u>226,022</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Advertising & Promotion	2,316	720	3,036
Bank fees	10	–	10
Consultancy	–	151,347	151,347
Insurance	–	398	398
Office equipment	–	1,384	1,384
Staff costs	19,495	1,977	21,472
Printing & Stationary	–	65	65
Professional fees	1,080	3,308	4,388
Travel & subsistence	1,200	703	1,903
	<u>24,101</u>	<u>159,902</u>	<u>184,003</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £
Advertising & Promotion	3,036	–	3,036
Bank fees	10	–	10
Consultancy	151,347	–	151,347
Insurance	398	–	398
Office equipment	1,384	–	1,384
Staff costs	21,472	–	21,472
Printing & Stationary	65	–	65
Professional fees	–	4,388	4,388
Travel & subsistence	1,903	–	1,903
	<u>179,615</u>	<u>4,388</u>	<u>184,003</u>

7. Net incoming resources are stated after charging:

	2023 £
<i>Fees payable to the independent examiner for:</i>	
Independent examination and preparation of the financial statements	<u>900</u>

St Michael's Centre Partnership Byker

Notes to the Financial Statements *(continued)*

Period ended 31 March 2023

8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023
	£
Wages and salaries	18,811
Social security costs	2,331
Employer contributions to pension plans	330
	<hr/>
	21,472
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The average head count of employees during the year was 1.

No employee received employee benefits of more than £60,000 during the year.

9. Trustee remuneration and expenses

The trustees are considered to be the Key management personnel of the charity. No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

During the year £Nil was reimbursed to Trustees for expenses relating to travel, accommodation and subsistence.

10. Creditors: amounts falling due within one year

	2023
	£
Other creditors	2,685
	<hr/>
	2,685
	<hr/>

11. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £330.

St Michael's Centre Partnership Byker

Notes to the Financial Statements *(continued)*

Period ended 31 March 2023

12. Analysis of charitable funds

Unrestricted funds

	At 10 Feb 2022	Income	Expenditure	Transfer	At 31 March 2023
	£	£	£	£	£
General funds	–	25,000	(24,101)	–	899

Restricted funds

	At 10 Feb 2022	Income	Expenditure	Transfer	At 31 March 2023
	£	£	£	£	£
Newcastle Diocese Board of Finance	–	50,000	(8,555)	(325)	41,120
Social Investment Business Grant	–	151,022	(151,347)	325	–
	–	201,022	(159,902)	–	41,120
Total charitable funds	–	226,022	(184,003)	–	42,019

13. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Current assets	3,583	41,120	44,704
Creditors less than 1 year	(2,685)	–	(2,685)
Net assets	899	41,120	42,019

14. Related party transactions

During the year, £25,000 was received by the Squires Foundation, a charity which Mark Squires is also a trustee. There are no other related party transactions to report.

15. Post balance sheet events

Subsequent to the year end, the charity have been awarded a material grant to develop and construct the Lighthouse at the St Michael's Centre. £4,122,385 has been awarded from the Social Investment Board for capital funding, and £304,778 for revenue funding.