ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales · Charity number 225979

Details

Status	Registered
Legal form	Other
Registered	1963-11-19
Register	View on the Charity Commission register

Contact

Address	St Mary Magdalene And Holy Jesus Trust Claremont Road Newcastle Upon Tyne NE2 4NN
Phone	01912697920
Email	st.marymagdalene@mmhjtrust.com
Website	mmhjtrust.com

Activities

Objects: (A) THE PROVISION OF HOUSING ACCOMMODATION FOR BENEFICIARIES;(B) SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE RESIDENTS AS THE TRUSTEE DECIDES;(C) RELIEF IN NEED OF BENEFICIARIES; (D) THE PROVISION OF EXTRA-CARE (INCLUDING RESIDENTIAL CARE) ACCOMMODATION AND FACILITIES FOR BENEFICIARIES, WITH A PREFERENCE FOR RESIDENTS.

Activities: Provision of housing - almshouses - for older persons who are in need, hardship or distress within Newcastle upon Tyne. Payments for the relief in need of the Brethren and Sisters of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett. Making grants to, & provide or pay for items, services & facilities for individuals & organisations who are in need, hardship or distress.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Elderly/old People

Geography

- **Area of benefit:** NEWCASTLE UPON TYNE AND DISTRICT
- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,215,200	£1,724,700	£48,417,000	8
2024-03-31	£2,141,600	£1,693,600	£46,063,900	7
2023-03-31	£1,816,800	£1,467,000	£44,049,300	7
2022-03-31	£1,792,600	£1,979,800	£45,232,200	6
2021-03-31	£1,587,300	£1,547,200	£46,267,400	7

Trustees

Name	Role	Appointed
THE ST MARY MAGDALENE AND HOLY JESUS TRUSTEE LIMITED		2008-08-01

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ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales - Charity number 225979

Accounts

The St. Mary Magdalene & Holy Jesus Trust

Registered Charity No 225979

Report and Financial Statements

For the year ended 31st March 2025

THE ST. MARY MAGDALENE
& HOLY JESUS TRUST

Claremont Road, Newcastle upon Tyne, NE2 4NN
Telephone: (0191) 269 7920
email: st.marymagdalene@mmhjtrust.com
Registered Charity No 225979

Trustee: St Mary Magdalene and Holy Jesus Trustee Limited
Chair: Mr J Lee, OBE

St Mary Magdalene & Holy Jesus Trust

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St Mary Magdalene & Holy Jesus Trust

Trustee Annual Report for the year ended 31st March 2025

A. OBJECTIVES AND ACTIVITIES

The St Mary Magdalene & Holy Jesus Trust is an almshouse charity located in Spital Tongues, Newcastle upon Tyne whose main objective is to assist older people who are in need, hardship or distress by providing housing. In fulfilling this objective, the charity also aims to assist its beneficiaries to live independently.

The St Mary Magdalene & Holy Jesus Trust has a long history stretching back several hundred years. It was an amalgamation of two Almhouses, The Hospital of St. Mary Magdalene, which was founded in the 13th century and the Hospital of the Holy Jesus, which was founded in the 17th century along with three other charities. These Almshouses and charities were brought together in the Hospital of St. Mary Magdalene and other Charities (Newcastle upon Tyne), Charity Scheme Confirmation Act, 1959.

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the corporate trustee being The St Mary Magdalene & Holy Jesus Trustee Limited (The Trustee).

The organisation's governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

At the end of the reporting period, the charity had 146 almshouses:

- St. Mary Magdalene: 79 bungalows
- Holy Jesus: 49 bungalows
- Magdalene Court: 15 flats and 3 houses

In addition, the charity owns a former care home, which is no longer used for residential accommodation and as of the 31st of March 2025, owned two flats referred to as the "Chippendale Properties". One of which is occupied with the remaining flat in the process of being sold (See Section D. It should be noted that this flat was sold on the 9th of May 2025). The Trustee will earmark any funds from the sale to procure alternative accommodation of equivalent amenity value.

In accordance with the Trust's Scheme, when making appointments, The Trustee must give preference to certain classes of persons who are required to meet specific eligibility criteria. Freemen of the City of Newcastle upon Tyne are given preference for certain specified almshouses. In 2009, the Economic Development and Construction Act gave the daughters of Freemen the same prescriptive rights as the sons of Freemen. At the time of reporting, there were eleven bungalows occupied by Freemen of the City of Newcastle upon Tyne.

Regarding other homes, preference is given to other qualifying applicants who do not have a connection to the Freemen of the City of Newcastle upon Tyne. Details of the class of person to whom preference must be given does vary across the Trust's properties. Detailed information is provided in the 2008 Scheme (As amended by supplemental schemes dated 25

February 2022 and 2 May 2023).

The Trust also makes quarterly grants to the beneficiaries of three "hospitals" that were originally part of the same range of buildings as the old Hospital of Holy Jesus. These beneficiaries are non-resident and all must be in need, hardship or distress. There are no age or residence qualifications.

- Ann Davison Hospital
  Comprises six beneficiaries of whom three must be poor widows of Clergymen and the poor widows of Freemen with preference being given to the widows of merchants.

- Thomas Davison Hospital
  Comprises six beneficiaries who must be the poor widows or unmarried daughters of Freemen.

- Sir Walter Blackett Hospital
  Comprises six beneficiaries who must be poor unmarried Freemen.

In addition, a quarterly allowance is paid to the Freemen residents who live on the site. The Trustee provides the following additional benefits for residents of the Almshouses:

- An on-site Handyman Service.
- A free emergency call alarm system that can be accessed 24/7 which includes smoke alarm and C02 alarm monitoring and, for those residents who are assessed as having specific needs, the provision of a free daily morning call and/or additional telecare services.
- Security service which includes an on-site security guard.
- Communal grounds.
- Free social activities and events.
- A site chapel with a serving Chaplain.

The Trustee has given due consideration to the Charity Commission's guidance in relation to public benefit. The charitable purposes undertaken by the Trust which meet the requirements under the Charities Act 2011 are: (a) the prevention or relief of poverty and (b) the relief of those in need because of age, ill-health, disability, financial hardship or other disadvantage.

B. ACHIEVEMENTS & PERFORMANCE

- The organization is continuing to deliver against its 2021-27 Business Plan which is focused on improving the organisation's residential properties. As a member of the Almshouse Consortium the organisation was successful with a bid for grant funding to Homes England for £268,160 for the remodeling and refurbishment of six bungalows. This included extending four, one-bedroom bungalows, to make four, two-bedroom bungalows. Two bungalows were completed in March 2025 and four are due to complete around August 2025.
- Refurbishment works to the Mary Magdalene Bungalows have continued throughout the year. This has included internal refurbishments of 1990 Mary Magdalene bungalows when they became void and prior to being re-let and adaptations to occupied dwellings for residents with mobility and or other issues.

- The organisation reviewed its Investment Policy. This Investment Policy sets out what the Trust's investments should achieve and is fully aligned with the Business Plan.
- We continue to receive a high level of interest from potential applicants who wish to live in our almshouse accommodation. An annual review of maintenance contributions was undertaken to make them more commensurate with the standard of property provided with a strong focus on ensuring that contributions were affordable given the increases in living costs. All maintenance contributions remain under the Local Housing Allowance rates for Newcastle upon Tyne.
- The organisation completed a major refurbishment of the first floor of the Vine and Provincial House building along with component replacements and improvements to communal areas. The building now meets the government's target for commercial properties to achieve an EPC rating of B or higher by 2030.

C. FINANCIAL REVIEW

The financial statements for the year ending 31st March 2025 show:

- Net income (exclusive of investment gains / losses) of £490,500 (2024: £448,000 net income)
- Net Investment Gain of £1,862,600 (2024: £1,566,600 gain).
- Cash Flow £829,100 negative (2024: £575,600 negative).
- Total Funds £48,417,000 (2024: £46,063,900).

❖ Sources of Funding and use of Funds

The Trust has two principal funding sources: Maintenance Contributions (charitable property rents) and investment income, the latter being derived from financial and property portfolios.

The Trust's policy is to set Maintenance Contributions at a level covering everyday charitable property costs and contributing to long term repairs. The Trustee is also mindful of the cost-of-living crisis and Maintenance Contributions continued to remain lower than the Local Authority Housing Allowance levels for Newcastle upon Tyne.

Investment Income from the Permanent Endowment is used to fund the loss on charitable operations, with the excess transferred to the Capital Expenditure Fund to finance the business plan.

❖ Significant Events Impacting This Year's Results

- Resident numbers increased as upgraded bungalows were released from the refurbishment program. This resulted in 98% of theoretical maintenance contributions being received in the year totaling £781,200 as opposed to 97% (£635,045) in the previous year.

❖ Review of Reserves

At 31st March 2025, the balances on the Trust's various funds and the assets supporting them were as follows:

£000s	Permanent Endowment	General Reserve	Operational Estate Reserve	Capital Project Fund	Total
LGT Asset Portfolio	16,483.2	-	-	-	16,483.2
Evelyn Partners Portfolio	2,783.4	-	-	-	2,783.4
EdenTree Portfolio	326.4	-	-	-	326.4
CCLA Portfolio	4,817.2	-	-	-	4,817.2
Investment Property	11,124.5	-	-	-	11,124.5
Cash & Deposits	(38.5)	538.8	-	836.5	1,336.8
Operational Property	-	-	11,260.3	-	11,260.3
Assets Under Construction	-	-	-	337.7	337.7
Fixtures Fittings & Equipment	-	-	90.7	-	90.7
Other Current Liabilities	(91.4)	(38.8)	-	(13.0)	(143.2)
Total	**35,404.8**	**500.0**	**11,351.0**	**1,161.1**	**48,417.0**

- Permanent Endowment
  Due to the Trust's current policy regarding the setting of Maintenance Contributions, the investment income from this fund provides the funds to cover subsidies, major revenue expenditure and to fund future capital expenditure. All income is credited to the General Reserve and capital gains / losses remain in the Permanent Endowment.

- General Reserve
  The General Reserve Policy level is £500,000 which equates to two years net cost of operations excluding depreciation (2024 years).

- Operational Estate Reserve
  This reserve represents the capitalised operational assets of the Trust and an amount equivalent to the depreciation charge is transferred from it to the Capital Projects Fund each year.

- The Capital Projects Fund
  This fund provides for the replacement of housing stock and other major items of capital and revenue expenditure. It is maintained primarily by the remaining investment income after charitable subsidies and transfers to other reserves.

❖ Investment Policy

The Trust's Investment Policy is to have a diverse base to spread risk whilst simultaneously aiming for capital appreciation at least equal to inflation and an income return sufficient to meet on-going and cyclical operational costs not recovered from Maintenance Contributions and future capital expenditure needs.

Ethical Criteria:
The Trustee is mindful of the charity's purposes, with a focus on the position of beneficiaries and what causes them hardship. Taking into account negative impacts linked to poverty, the Trustee excludes direct investment in companies whose primary business is predatory lending, gambling, tobacco production and alcohol production.

Environmental, social and governance (ESG) factors and active stewardship:
ESG is an important aspect to our investments. We wish to work with an investment manager who integrates ESG research into their investment process. Our investment manager should be a signatory to the UN Principles for Responsible Investment, as a sign of best practice in this area. We wish to have a continuing dialogue with our investment manager about their own Sustainability practices, goals and performance.

Targeted returns are as follows:

Commercial Property	6% net yield
Agricultural Property	50% capital growth over 10 years
Financial Portfolio	Outperform ARC by 1%-2% over average.

❖ Risks And Uncertainties / Factors Affecting Future Performance
The following key risks and uncertainties which may impact future performance have been identified:

- Despite reviewing its investment policy, the Trust will continue to be exposed to a degree of risk due to the uncertain economic climate with growth remaining weak.

- With the adoption of the new revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited several long serving Directors are in the process of retiring. There is a transition plan in place but recruiting Directors, with the required levels of expertise and knowledge as replacements, could be challenging for the organisation as it is for small charities in general.

D. PLANS FOR FUTURE PERIODS

- There is a detailed Business Plan in place covering the organisation's future plans. This includes proposals for the redevelopment of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows.

- The charity remains committed to providing a community environment which encourages social wellbeing through the provision of a range of facilities, activities, and events. Events are being planned in consultation with residents.

- The Licensee (Residents) Committee is helping to involve residents in the running of the organisation and resident involvement is an area that the organisation plans to develop further.

- Investment in the organisation's Vine and Provincial House property will continue with improvement works being undertaken to the 2nd floor.

E. STRUCTURE, GOVERNANCE AND MANAGEMENT

❖ Governing Document

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the Corporate Trustee being The St Mary Magdalene & Holy Jesus Trustee Limited. The organisation's governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

❖ Charity Governance Code

The Trust adopted the Charity Governance code at a meeting of the Board of the Trustee in February 2022. An assessment has been made using the Charity Governance Code template – larger charities 2020 edition to identify areas where improvement is needed. The organisation is actively working through these areas.

❖ Nomination of Directors

The following bodies are entitled to nominate Directors to the Corporate Trustee:
The Stewards Committee of the Freemen of the City of Newcastle upon Tyne (Three directors), Newcastle City Council (Three directors) and the Bishop of Newcastle (One director). In addition, up to three directors (Co-opted Directors) and a Chair can be appointed in accordance with the Articles of Association (Amended July 2021).

All Directors initially hold office for a period of three years.

❖ Director Induction & Training

Directors who are nominated or co-opted to the Board come from a range of backgrounds. As part of their induction and training, new Directors receive the following documents in relation to the charity, its work and their responsibilities as a director - Charity Governance Code, Charity Scheme, Articles of Association, history of the charity and its governance and objectives, latest set of audited accounts and budget for the current financial year, minutes of previous Board Meetings, Scheme of Delegation, Standing Financial Instructions and Risk Management Register, management structure and details of other Directors, information about the charity's commercial and agricultural portfolio and the Charity Commission publication 'The Essential Trustee – What you need to know, what you need to do'. New Directors also meet with the Chair, Chief Executive and Finance Director to discuss the charity's strategy, objectives and current issues and are shown around the almshouse estate. All Directors are kept up to date on relevant matters affecting the charity, receive a copy of the quarterly Almshouses Gazette and are circulated with relevant information from the Charity Commission website and other appropriate publications.

Specific training and development needs are addressed in consultation with Directors and one meeting per year may be devoted to Director training and development. All new Directors are required to complete a skills audit, and the experience, knowledge, expertise and skills of Directors are periodically reviewed. Information from the skills audit can identify any potential gaps and, where possible, Directors try to influence and encourage appropriate nominations and appointments to the

Board in order to complement and enhance the diversity of skills and perspectives.

❖ Organisation

The Directors act as stewards for both present and future beneficiaries and are accountable to the public by reason of the charitable status of the Trust. The Directors are responsible for establishing structures for the proper governance and management of the Trust and the Corporate Trustee and the development of the vision and strategy of the charity in accordance with its objects. The Board meets approximately bi-monthly to discuss operational, financial and development policy, making decisions on key issues.

The Directors receive reports from the Management Team on their respective areas of responsibility in addition to regular reports from the charity's investment managers and other professional advisors.

The overall day to day management of the Trust is delegated to the Management Team. A framework of authorities is in place which outlines the structure of delegation as well as specifying those responsibilities which remain the preserve of the Directors.

❖ Related Parties And Co-operation With Other Organisations

Although not part of a formal network of other charities, the Trust has established working relationships with charities of similar aims. Mr Paul Anderson and Mr Alan Bainbridge are Members of the Stewards Committee of The Freemen of the City of Newcastle upon Tyne.

❖ Pay Policy and performance of Senior Staff

Pay is normally increased annually to reflect a cost-of-living adjustment.

Following the adoption of the Charity Governance Code the Board of the Trustee will oversee an annual appraisal of the Chief Executive.

❖ Risk Management

A Risk Management Register is in place. The Directors have assessed the major strategic and operational risks which the charity faces and are satisfied that control systems have been developed and are in place to mitigate the identified risks. The Risk Management Register is subject to regular review by the Finance and Audit Committee incorporating any new risks which might affect the charity along with evaluating and assessing the impact of controls and actions on existing risks. These are reported to the Directors who continue to review the risk management procedures, and the Risk Management Register annually and as required.

❖ Board Effectiveness

The Directors have completed a Board Effectiveness Questionnaire and a Director Skills Audit, and these will be completed every three years. A programme of Director appraisals has been agreed and these appraisals have commenced.

❖ Directors' terms of office

Under the Articles of Association (Amended July 2021), Directors are appointed for a term of three calendar years and can serve no more than nine years. This is a significant change to the previous Articles of Association (December 2008). At the start of the year there were three nominated Directors who had served for more than nine years. These three Directors were appointed to serve for a further term of one year.

It should be noted that following the passing of one of the nominated Directors after the financial year ended, there are now two nominated Directors that have served for more than nine years. Discussions are being held with the nominating bodies to ensure that the skill requirements of the organisation can be met along with the organisation's requirements for Directors' terms of office.

F. REFERENCE AND ADMINISTRATIVE DETAILS OF THE ST MARY MAGDALENE AND HOLY JESUS TRUST (CHARITY), THE ST MARY MAGDALENE & HOLY JESUS TRUSTEE LIMITED (CORPORATE TRUSTEE) & PROFESSIONAL ADVISORS

Charity Name: St Mary Magdalene & Holy Jesus Trust.
The Charity operates within England and Wales and is registered with the Charity Commission with number: 225979.
Registered Office: Claremont Road, Newcastle upon Tyne, NE2 4NN.
Corporate Trustee – The St. Mary Magdalene & Holy Jesus Trustee Limited.

Directors of the Corporate Trustee, and officers who held office at the date of signing the report are listed below together with their nominating bodies.

Name	Nominated By
Mr P Anderson (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mr A R Bainbridge (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mrs Pauline Summerhill (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mrs Ranjana Bell (Director)	Co-opted
Mr J P Lee OBE	Co-opted

(Chair and Director)

Mr D W Midgley OBE	Co-opted (Resigned 6th June 2024)
Mr Micheal James Cole	Co-opted (Appointed 5th August 2024)
Councillor Mrs L Wright	Newcastle City Council
Councillor W B Taylor	Newcastle City Council
Canon P R Strange	Bishop of Newcastle (Resigned 8th April 2025)
Councillor P Frew	Newcastle City Council

Mr Jon Mitford (Chief Executive Officer) Appointed 21st August 2020

The Trust's Professional Advisors:

Property Agents: Hindmarsh & Partners Chartered Surveyors
49 Park View, Whitley Bay, Tyne & Wear, NE26 2TP

Galbraith
59 George Street, Edinburgh, EH2 2JG

Solicitors: Samuel Phillips
18-24 Grey Street, Newcastle upon Tyne NE1 6AD

Womble Bond Dickinson
St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX

Muckle LLP
Time central, 32 Gallowgate, Newcastle upon Tyne NE1 4BF

Accountants	S&W 17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Investment Managers:	LGT Capital Limited 1 George Street, Edinburgh, EH2 2LL Evelyn Partners Investment Management LLP 45 Gresham Street, London EC2V 7BG EdenTree Investment Management Limited Beaufort House, Brunswick Road, Gloucester, GH1 1JZ CCLA Senator House, London, EC4V 4ET
Auditors:	Azets Audit Services, Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Bankers:	Lloyds TSB 102 Grey Street, Newcastle upon Tyne, NE99 1SL NatWest 16 Northumberland Street, Newcastle upon Tyne, NE1 7EL Virgin Money 131-135 Northumberland Street, Newcastle upon Tyne, NE1 7AG

G. STATEMENT OF TRUSTEES' RESPONSIBILITY

The Board of the Trustee (The Directors of St Mary Magdalene & Holy Jesus Trustee Limited as detailed above) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the Trustee 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 Statements of Financial Activities of the charity for that period. In preparing those financial statements the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustee is responsible for keeping proper 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 Report) Regulations 2008 and the Charity's Scheme. 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.

H. AUDITORS

Azets Audit Services were appointed in the prior year as the Trust's auditors for a three-year term with annual review in January 2024 replacing Haines Watts.

This Report was approved by The Board of The Corporate Trustee (The St. Mary Magdalene & Holy Jesus Trustee Limited) on. 4/11/25

Signed.....
Trustee MICHAEL COLE

ST MARY MAGDALENE AND HOLY JESUS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ST MARY MAGDALENE AND HOLY JESUS TRUST

Opinion

We have audited the financial statements of St Mary Magdalene and Holy Jesus Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

We identified the following applicable laws and regulations as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Charities Act.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF ST MARY MAGDALENE AND HOLY JESUS TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 the charity's 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

6-11-25

Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2025

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2025 £000's	Total 2024 £000's
Income and endowments from:						
Donations and legacies	1	0.0	0.0	0.0	0.0	0.0
Charitable activities	2	781.2	0.0	0.0	781.2	635.0
Investments	3	1,434.0	0.0	0.0	1,434.0	1,506.6
Total income and endowments		2,215.2	0.0	0.0	2,215.2	2,141.6
Expenditure on:						
Raising funds	4	0.0	0.0	414.0	414.0	435.0
Charitable activities	5	1,357.7	(47.0)	0.0	1,310.7	1,258.6
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		1,357.7	(47.0)	414.0	1,724.7	1,693.6
Net income / (expenditure) before investment gains		857.5	47.0	(414.0)	490.5	448.0
Net gain on investments	13	0.0	0.0	1,862.6	1,862.6	1,566.6
Net income / (expenditure)		857.5	47.0	1,448.6	2,353.1	2,014.6
Transfers						
Gross transfers between funds	17	(857.5)	266.2	591.3	0.0	0.0
		0.0	313.2	2,039.9	2,353.1	2,014.6
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	313.2	2,039.9	2,353.1	2,014.6
Reconciliation of Funds						
Total funds brought forward		500.0	12,199.0	33,364.9	46,063.9	44,049.3
Total funds carried forward	18	500.0	12,512.2	35,404.8	48,417.0	46,063.9

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2024

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2024 £000's	Total 2023 £000's
Income and endowments from:						
Donations and legacies	1	0.0	0.0	0.0	0.0	0.4
Charitable activities	2	635.0	0.0	0.0	635.0	587.7
Investments	3	1,506.6	0.0	0.0	1,506.6	1,228.7
Total income and endowments		2,141.6	0.0	0.0	2,141.6	1,816.8
Expenditure on:						
Raising funds	4	0.0	0.0	435.0	435.0	289.9
Charitable activities	5	1,124.5	134.1	0.0	1,258.6	1,177.1
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		1,124.5	134.1	435.0	1,693.6	1,467.0
Net income / (expenditure) before investment gains		1,017.1	(134.1)	(435.0)	448.0	349.8
Net losses on investments	13	0.0	0.0	1,566.6	1,566.6	(1,532.7)
Net income / (expenditure)		1,017.1	(134.1)	1,131.6	2,014.6	(1,182.9)
Transfers						
Gross transfers between funds	18	(1,017.1)	799.0	218.1	0.0	0.0
		0.0	664.9	1,349.7	2,014.6	(1,182.9)
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	664.9	1,349.7	2,014.6	(1,182.9)
Reconciliation of Funds						
Total funds brought forward		500.0	11,534.1	32,015.2	44,049.3	45,232.2
Total funds carried forward	18	500.0	12,199.0	33,364.9	46,063.9	44,049.3

St Mary Magdalene & Holy Jesus Trust
Balance Sheet as at 31st March 2025

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2025 £000's	Total 2024 £000's
Fixed Assets:						
Operational Estate	12	0.0	11,688.7	0.0	11,688.7	11,664.5
Investments	13	0.0	0.0	35,534.7	35,534.7	32,576.3
Total Fixed Assets		0.0	11,688.7	35,534.7	47,223.4	44,240.8
Current Assets						
Debtors	14	74.8	89.4	131.4	295.6	105.7
Cash at bank and in hand		538.8	836.5	(38.5)	1,336.8	2,165.9
Total current assets		613.6	925.9	92.9	1,632.4	2,271.6
Liabilities						
Creditors						
Amounts falling due within one year	15	(113.6)	(102.4)	(222.8)	(438.8)	(448.5)
Net current assets		500.0	823.5	(129.9)	1,193.6	1,823.1
Total assets less current liabilities		500.0	12,512.2	35,404.8	48,417.0	46,063.9
Net Assets		500.0	12,512.2	35,404.8	48,417.0	46,063.9
The funds of the charity						
Permanent Endowment Fund		0.0	0.0	35,404.8	35,404.8	33,364.9
General Reserve		500.0	0.0	0.0	500.0	500.0
Capital Projects Fund		0.0	1,161.1	0.0	1,161.1	666.7
Operational Estate Reserve		0.0	11,351.1	0.0	11,351.1	11,532.3
Total Charity Funds	18	500.0	12,512.2	35,404.8	48,417.0	46,063.9

The financial statements were approved by the trustees on 4/11/25

Signature.....

Trustee MICHAEL COLE

St Mary Magdalene & Holy Jesus Trust

Cash Flow Statement for the Year Ending 31st March 2025

	Notes	£000's 2025	£000's 2024
Net cash inflow from operating activities	(a)	573.8	256.6
Cash flow from investing activities			
Capital Expenditure on Operational Estate		(283.9)	(1,406.9)
Capital Expenditure on Fixtures Fittings & Equipment		(23.2)	(78.4)
Net investment income received		(602.1)	(673.6)
Purchase of investments		(1,345.8)	(3,665.9)
Sale of investments		852.1	4,992.6
Net cash flow from investing activities		(1,402.9)	(832.2)
Net increase in cash and cash equivalents		(829.1)	(575.6)
Cash and cash equivalents at 1 April 2024		2,165.9	2,741.5
Cash and cash equivalents at 31 March 2025	(b)	1,336.8	2,165.9

(a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing) resources before other recognised gains and losses	490.5	448.0
Depreciation	282.9	232.5
Decrease / (Increase) in Debtors	(189.9)	(69.6)
Increase / (Decrease) in Creditors	(9.7)	(354.3)
Net cash inflow / (outflow) from operating activities	573.8	256.6

(b) Cash and cash equivalents consist of:

Cash at bank and in hand	1,336.8	2,165.9
Cash and cash equivalents at 31 March 2025	1,336.8	2,165.9

Summary of Significant Accounting Policies

(a) General information and basis of preparation

St Mary Magdalene & Holy Jesus Trust is a Trust set up by a Charitable Trust Deed on 19 November 1963 which was last amended on 22 December 2008 in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in the Trustees' Annual Report. The nature of the charity's operations and principal activities are the provision of housing – Almshouses – for older persons who are in need, hardship or distress within Newcastle upon Tyne, payments for the relief in need of the Brethren and Sister of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett, and making grants to and providing or paying for items, services and facilities for individuals and organisation who are in need, hardship or distress.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, this has been modified to include fixed asset investments at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

(i) Unrestricted Funds (General Reserve)

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

(ii) Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(iii) Restricted Funds

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

(iv) Endowment Funds

Endowment funds represent those assets which must be held permanently by the charity, principally Investments and Investment Properties (including associated revaluation reserves). Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is provable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

When applicable, gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity currently receives no government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

(i) Costs of raising funds includes:
All costs of managing the charity's investments are included in this heading as per paragraph 4.46 of the SORP. These include management fees and the costs of keeping investment properties in good repair.

(ii) Expenditure on charitable activities includes:
All direct and support costs incurred in the running of the charity's almshouses are charged to this heading. Also included are allowances to Brethren and Sisters of the hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett.

Other expenditure represents those items not falling into categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are considered to be wholly attributable to expenditure on charitable activities. Premises overheads and other overheads are all considered to be support costs relating directly to charitable activities.

Fund-raising costs are those incurred in managing the charity's investment portfolio and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Fixed Assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

(i) Buildings (Operational Estate) - 50 years
(ii) Residential Care Home Building - 25 years
The Residential Care Home building is now vacant except for those areas used as office space, chapel and welfare and dining facilities. At 31.3.2016 the facility was written down to a value equating to £10 / sq. ft. per annum with an expected useful life of 5 years. At 31.3.21 its book value was therefore zero.
(iii) Fixtures and Fittings - 10 years
(iv) Software and Motor Vehicles - 5 years

Fixed assets below a value of £5,000 are not capitalised

(g) Investment Assets

Financial Investments are included in the Financial Statements at Market Value. Realised gains and losses are included in the SOFA and are credited or charged to the reserves against which the assets are held.

Investment Properties of the Trust are held for long term investment. They are accounted for in accordance with SORP (FRS 102) as follows:

(i) They are disclosed at Market Value.
(ii) The valuations are carried out every three to five years subject only to obtaining advice as to the possibility of any material movements between individual valuations.
(iii) Realised and unrealised gains are included in the SOFA and credited or charged to the Permanent Endowment Fund.

(iv) No depreciation is provided in respect of these properties.

The non-agricultural element of the commercial estate was valued by Hindmarsh & Partners on 31 January 2025 on the basis of Fair Value as detailed by the Royal Institution of Chartered Surveyors in the RICS Red Book. The valuation of the Chippendale Properties assumes vacant possession as the trustees do not envisage selling subject to the existing tenancies. The trustees have reviewed the carrying value of these assets in the light of prevailing economic conditions and consider that there is no impairment to that value.

The Farms and Woodlands etc. were valued by Galbraith as at 31 January 2025 by way of a percentage uplift based on the selling price achieved on the Great Law Farm sale over its previous book carrying value. Any development values relating to options given to housing developers in farm properties are not included within these financial statements, due to the inherent uncertainty of ultimately realising the value on such arrangements.

The trustees do not consider that there have been any significant changes to these valuations in the period since.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Employee Benefits

Pension benefits are provided through the Tyne & Wear Pension Fund, which is a defined benefit scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the Scheme. The benefits are funded over the employee's period of service and contributions are in accordance with the most recent actuarial valuation of the fund.

The actuary to the Scheme has confirmed that it is not possible to separately identify the assets and liabilities relating to each separate body that participates in the Scheme. The accounting is, therefore, based on a defined contribution basis.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted cash flows are considered sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- The charity's Residential Care Home was closed in 2012 and has remained empty since apart from those areas used as administration offices and dining room / kitchen, chapel and welfare facilities. It is appreciated that in the longer term this situation is untenable and that the building has a limited life. To that end it was re-valued at a suitable rental rate with a proposed future life of 5 years from 31st March 2016. At 31st March 2025 its net book value was zero.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Valuation of farms
  The majority of the farms are located on or near to former coal or industrial workings. It has been assumed that no past or present uses of the land would lead to a potential for contamination. Should it be established subsequently that contamination, seepage or pollution exists at any of the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this might reduce the values now reported.

1 Income from donations and legacies

	2025	2024
	£000's	£000's
Donations Received	-	-

All donations represent unrestricted funds.

2 Incoming resources from charitable activities

	2025	2024
	£000's	£000's
Sheltered Housing	781.2	635.0

3 Income from investments

	2025	2024
	£000's	£000's
Commercial Estate	701.5	684.3
Managed Financial Investments	707.2	788.9
Interest on Other Cash Balances	25.3	33.4
	1,434.0	1,506.6

All investment income represents unrestricted funds.

4 Raising Funds:

Investment management costs	Unrestricted	Restricted	Endowment	2025	2024
	£000's	£000's	£000's	£000's	£000's
Legal fees	0.0	0.0	15.6	15.6	1.9
Investment manager fees	0.0	0.0	141.6	141.6	148.3
Other	0.0	0.0	256.8	256.8	284.8
	0.0	0.0	414.0	414.0	435.0

£414,000 (2024 - £435,000) of the above costs were attributable to endowment funds.

5 Analysis of expenditure on charitable activities

	Activities under Taken Directly £000's	Support Costs £000's	Total 2025 £000's	Total 2024 £000's
Sheltered Housing	905.6	398.1	1,303.7	1,251.8
Grants to Brethren	7.0	0.0	7.0	6.8
Other Donations	0.0	0.0	0.0	0.0
	912.6	398.1	1,310.7	1,258.6

6 Allocation of Support Costs

All Support costs are attributable to Sheltered Housing	Total 2025 £000's	Total 2024 £000's
Provision of Meals	7.3	6.4
Administration Salaries and Expenses	235.9	217.9
Administration Building Costs	69.5	45.9
Chaplaincy Costs	0.1	0.0
Governance	46.4	30.2
Other Support Costs	38.9	12.7
	398.1	313.1

Note: The Trust has registered for VAT and can only partially recover input VAT. The amount irrecoverable is included in the above figures. As a result of registration, VAT amounting to £324,557 (2024: £58,205.90) has been recovered during the year.

7 Governance Costs

	Total 2025 £000's	Total 2024 £000's
Legal & Professional Fees	20.7	10.7
Auditor's Remuneration	15.9	12.5
Insurance	2.0	1.9
Other	7.8	5.1
	46.4	30.2

8 Net income / (expenditure) for the year

Net income/(expenditure) for the year is stated after (charging) / crediting:	Total 2025 £000's	Total 2024 £000's
Depreciation of tangible fixed assets	(282.9)	(232.5)
Profit on sale of investment property	0.0	0.0
Loss on fair value movement of investment property	0.0	0.0
Profit / (loss) on fair value movement of investments	1,862.6	1,566.6

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £15,850 (2024 - £12,500)

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2024: £Nil).

The Total amount of employee benefits received by key management personnel was £84,390 (2024: £75,496). The trust considers its key management personnel to comprise non trustees who directly contribute to the Trust's board meetings.

No trustees are accruing pension arrangements (2024: £Nil)

The trustees did not have any expenses reimbursed during the year (2024: £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:-

Average Number of Employees	2025 Average	2025 FTE	2024 Average	2024 FTE
Raising funds	0	0	0	0
Charitable activities	8	8	7	7
Governance	0	0	0	0
	8	8	7	7

The total staff costs and employee benefit's was as follows:	2025 £000's	2024 £000's
Gross Wages	232.5	200.9
NI Contributions	17.2	13.9
Pension Contributions	26.8	23.8
	276.5	238.6
Agency Staff	1.2	-
	277.7	238.6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No	2024 No
In the band £60,001 - £70,000	1	-

12 Operational Estate

	Operational Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Total
	£000's		£000's	£000's
Cost at 31st March 2024	19,378.8	53.8	358.6	19,791.2
Additions	0.0	283.9	23.2	307.1
Transfers	0.0	0.0	0.0	0.0
Disposals	(1,826.9)	0.0	(214.1)	(2,041.0)
Cost at 31st March 2025	17,551.9	337.7	167.7	18,057.3
Depreciation at 31st March 2024	7,846.5	0.0	280.2	8,126.7
Charge for year	272.0	0.0	10.9	282.9
Disposals	(1,826.9)	0.0	(214.1)	(2,041.0)
Depreciation at 31st March 2025	6,291.6	0.0	77.0	6,368.6
Net Book Value at 31st March 2025	11,260.3	337.7	90.7	11,688.7
Net Book Value at 31st March 2024	11,532.3	53.8	78.4	11,664.5

13 Investment Assets

	[Unrestricted]	[Permanent Endowment]			Total Investments	
	General Reserve £000's	Financial Investments [1] £000's	Commercial Estate [2] £000's	Total £000's	2025 £000's	2024 £000's
Carrying value at beginning of year	0.0	25,031.4	7,544.9	32,576.3	32,576.3	31,662.8
Add: Additions to investments at cost	0.0	3,453.0	1,345.8	4,798.8	4,798.8	3,665.9
Less: Disposal proceeds	0.0	(3,721.4)	(126.5)	(3,847.9)	(3,847.9)	(3,728.1)
Gains / (Losses) on Disposals	0.0	60.4	7.0	67.4	67.4	0.0
Withdrawals	0.0	(725.6)	0.0	(725.6)	(725.6)	(1,264.5)
Revaluation	0.0	(290.7)	2,354.3	2,063.6	2,063.6	1,566.6
Investment Income Realised	0.0	707.2	0.0	707.2	707.2	788.9
Management Fees Paid	0.0	(105.1)	0.0	(105.1)	(105.1)	(115.3)
Carrying value at end of year	0.0	24,409.2	11,125.5	35,534.7	35,534.7	32,576.3
Investment Assets comprise:						
Investment properties	0.0	0.0	11,125.5	11,125.5	11,125.5	7,544.9
Listed Investments	0.0	24,409.2	0.0	24,409.2	24,409.2	25,031.4
	0.0	24,409.2	11,125.5	35,534.7	35,534.7	32,576.3
Cash balances held in Investment Portfolio	0.0			0.0	0.0	0.0
	0.0	24,409.2	11,125.5	35,534.7	35,534.7	32,576.3
Investment Income 2025	0.0	707.2	701.5	1,408.7	1,408.7	[Note 3]
Investment Income 2024	0.0	788.9	684.3	1,473.2	1,473.2	

[1]Financial Investments
The fair value of listed investments carried in the Permanent Endowment is determined by reference to the quoted price at the balance sheet date.

[2]Commercial Estate
In accordance with accounting policy, the Trust's holdings of investment land, buildings and farms was reviewed by its commercial and agricultural property agents on 31st March 2022. The Trustees have reviewed the portfolio and consider that there have been no material changes to the valuation since 31st March 2022.

The historical cost of the investments at the balance sheet date was £22,396,005 (2024: £22,691,037).

At the year end the following investments represented more than 5% of the total value of the investment portfolio:
CCLA Investment £4,817,183

	2025	2024
	£000's	£000's
14 Debtors		
Rents Receivable	61.6	50.7
Prepayments and Accrued Income	234.0	55.0
	295.6	105.7

	2025	2024
	£000's	£000's
15 Creditors		
Trade Creditors	157.4	31.0
Accruals and Deferred Income	281.4	417.5
	438.8	448.5

	2025	2024
16 Deferred income	£000's	£000's
At 31 March 2024	86.9	59.4
Additions during the year	630.9	600.4
Amounts released to income	(615.2)	(572.9)
At 31 March 2025	102.6	86.9

Deferred income relates to commercial property rents paid in advance.

17 Movement on Funds

		Desginated	Restricted			
	General Reserve £000's	Capital Projects Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Permanent Endowment General Fund £000's	Total Funds £000's
Balance at 31st March 2024	500.0	666.7	11,532.3	12,199.0	33,364.9	46,063.9
Net Incoming/(Outgoing) Resources	857.5	47.0	0.0	47.0	(414.0)	490.5
Transfers:						
Amortisation of Operational Estate Res.	0.0	282.9	(282.9)	0.0	0.0	0.0
Other Transfers	(857.5)	164.5	101.7	266.2	591.3	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	1,862.6	1,862.6
Balance at 31st March 2025	500.0	1,161.1	11,351.1	12,512.2	35,404.8	48,417.0

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £282,851 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. Other transfers relate to the reduction of the general reserve to £500,000 as per the current policy, and the allocation of amounts relating to the permanent endowment.

17 Movement on Funds

	Desginated		Restricted			
	General Reserve	Capital Projects Fund	Operational Estate Reserve	Total Restricted & Designated Funds	Permanent Endowment General Fund	Total Funds
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 31st March 2023	500.0	3,759.2	7,774.9	11,534.1	32,015.2	44,049.3
Net Incoming/(Outgoing)	1,017.1	(134.1)	0.0	(134.1)	(435.0)	448.0
Transfers:						
Amortisation of Operational Estate Res.	0.0	232.5	(232.5)	0.0	0.0	0.0
Other Transfers	(1,017.1)	(3,190.9)	3,989.9	799.0	218.1	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	1,566.6	1,566.6
Balance at 31st March 2024	500.0	666.7	11,532.3	12,199.0	33,364.9	46,063.9

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £232,522 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. Other transfers relate to the reduction of the general reserve to £500,000 as per the current policy, and the allocation of amounts relating to the permanent endowment.

17 Movement on Funds (continued)

Fund descriptions

Unrestricted Funds

General Reserve

All income is credited to the General Reserve and all costs of charitable activites charged to it, except for those which are deemed to be items covered by the Capital Expenditure Fund. The policy level for the Reserve was been reduced to £500,000 during the year ended 31st March 2021. Any surplus over this amount is transferred to the Capital Projects Fund.

Designated Funds

(a) Operational Estate Reserve

This reserve was created in order to bring the capitalised Operational Estate of the Trust (The Residential Care Home, Sheltered Housing and associated fixtures and fittings) into the Financial Statements at cost less accumulated depreciation in accordance with SORP 2005. Under SORP 2000 these assets were not valued as they were considered "inalienable". The scope was widened in the Financial Year ended 31st March 2010 and the balance increased to reflect the book value of all operational assets. This reserve is amortised back to the Capital Expenditure Reserve in line with the depreciation charge.

(b) Capital Projects Fund

This fund was created during the Financial Year Ended 31st March 2010 to provide for the future Capital Expenditure requirements of the Trust.

Endowment funds

(a) Permanent Endowment Fund

The Permanent Endowment Fund is a form of restricted fund and represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. All costs relating to Permanent Endowment Assets are charged to this Fund.

18 Analysis of net assets between funds

As at 31 March 2025

	Unrestricted £000	Designated £000	Restricted £000	Endowment £000	Total £000
Fixed assets	0.0	11,688.7	0.0	35,534.7	47,223.4
Cash and current asset investments	538.8	836.5	0.0	(38.5)	1,336.8
Other current assets/liabilites	(38.8)	(13.0)	0.0	(91.4)	(143.2)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	12,512.2	0.0	35,404.8	48,417.0

As at 31 March 2024

	Unrestricted £000	Designated £000	Restricted £000	Endowment £000	Total £000
Fixed assets	0.0	11,664.5	0.0	32,576.3	44,240.8
Cash and current asset investments	533.3	607.6	0.0	1,025.0	2,165.9
Other current assets/liabilites	(33.3)	(73.1)	0.0	(236.4)	(342.8)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	12,199.0	0.0	33,364.9	46,063.9

19 Pension Commitments

The Trust participates in the Tyne and Wear Pension Fund for its employees.

Under the definitions set out under Financial Reporting Standard 17 (Retirement Benefits), the Tyne and Wear Pension Fund is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in Section 28 of FRS102, the Financial Reporting Standard applicable in the UK and Ireland.

Pension contributions payable for the year ended 31st March 2025 amounted to £26,751 (2024: £23,752) and there were 7 employees (2024: 6) participating in the scheme during the year.

Under the 2019 scheme valuation, no additional deficit contributions are payable (2024: £Nil)

20 Capital Commitments

In 2024 the Trust entered into a contract with Aptus Construction for the refurbishment of areas of the Vine and Provincial House Building. The majority of the works will take place in 2024-5 with the cost being £1,260,000

In 2025 the Trust entered into a contract with Meldrum Constructing Services Limited for work on Mary Magdalene Bungalows, including making some of the properties 2-bed. The works will be completed in 25/26 when the costs will be capitalised.

21 Related party transactions:

A number of trustees have members of their Freemen Companies receiving sheltered housing provided by the charity. All of the beneficiaries qualify for housing under the charity eligibility criteria. All transactions with those related parties were at arms length.

22 Control

The charity is controlled by the Board of Trustees.

ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales - Charity number 225979

Accounts

The St. Mary Magdalene & Holy Jesus Trust

Registered Charity No 225979

Report and Financial Statements

For the year ended 31st March 2024

THE ST. MARY MAGDALENE
& HOLY JESUS TRUST

Claremont Road, Newcastle upon Tyne, NE2 4NN
Telephone: (0191) 269 7920
email: st.marymagdalene@mmhjtrust.com
Registered Charity No 225979

Trustee: St Mary Magdalene and Holy Jesus Trustee Limited
Chair: Mr J Lee, OBE

St Mary Magdalene & Holy Jesus Trust

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St Mary Magdalene & Holy Jesus Trust

Trustee Annual Report for the year ended 31st March 2024

A. OBJECTIVES AND ACTIVITIES

The St Mary Magdalene & Holy Jesus Trust is an almshouse charity located in Spital Tongues, Newcastle upon Tyne whose main objective is to assist older people who are in need, hardship or distress by providing housing. In fulfilling this objective, the charity also aims to assist its beneficiaries to live independently.

The St Mary Magdalene & Holy Jesus Trust has a long history stretching back several hundred years. It was an amalgamation of two Almhouses, The Hospital of St. Mary Magdalene, which was founded in the 12th century and the Hospital of the Holy Jesus, which was founded in the 17th century along with three other charities. These Almshouses and charities were brought together in the Hospital of St. Mary Magdalene and other Charities (Newcastle upon Tyne), Charity Scheme Confirmation Act, 1959.

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the corporate trustee being The St Mary Magdalene & Holy Jesus Trustee Limited (The Trustee).

The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

At the end of the reporting period, the charity had 146 almshouses:

- St. Mary Magdalene: 79 bungalows
- Holy Jesus: 49 bungalows
- Magdalene Court: 15 flats and 3 houses

In addition, the charity owns a former care home, which is no longer used for residential accommodation and owns 3 flats referred to as the "Chippendale Properties" 2 of which are occupied with the remaining flat in the process of being sold (See Section D). The Trustee will earmark any funds from the sale to procure alternative accommodation of equivalent amenity value.

In accordance with the Trust's Scheme, when making appointments, The Trustee must give preference to certain classes of persons who are required to meet specific eligibility criteria. Freemen of the City of Newcastle upon Tyne are given preference for certain specified almshouses. In 2009, the Economic Development and Construction Act gave the daughters of Freemen the same prescriptive rights as the sons of Freemen. At the time of reporting, there were 11 bungalows occupied by Freemen of the City of Newcastle upon Tyne.

Regarding other homes, preference is given to other qualifying applicants who do not have a connection to the Freemen of the City of Newcastle upon Tyne. Details of the class of person to whom preference must be given does vary across the Trust's properties. Detailed information is provided in the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023).

The Trust also makes quarterly grants to the beneficiaries of 3 "hospitals" that were originally part of the same range of buildings as the old Hospital of Holy Jesus. These beneficiaries are non-resident and all must be in need, hardship or distress. There are no age or residence qualifications.

- Ann Davison Hospital
  Comprises 6 beneficiaries of whom three must be poor widows of Clergymen and the poor widows of Freemen with preference being given to the widows of merchants.

- Thomas Davison Hospital
  Comprises 6 beneficiaries who must be the poor widows or unmarried daughters of Freemen.

- Sir Walter Blackett Hospital
  Comprises 6 beneficiaries who must be poor unmarried Freemen.

In addition, a quarterly allowance is paid to the Freemen residents who live on the site. The Trustee provides the following additional benefits for residents of the Almshouses:

- An on-site Handyman Service.
- A free emergency call alarm system that can be accessed 24/7 which includes smoke alarm and C02 alarm monitoring and, for those residents who are assessed as having specific needs, the provision of a free daily morning call and/or additional telecare services.
- Security service which includes an on-site security guard.
- Communal grounds.
- Free social activities and events.
- A site chapel.

The Trustee has given due consideration to the Charity Commission's guidance in relation to public benefit. The charitable purposes undertaken by the Trust which meet the requirements under the Charities Act 2011 are: (a) the prevention or relief of poverty and (b) the relief of those in need because of age, ill-health, disability, financial hardship or other disadvantage.

B. ACHIEVEMENTS & PERFORMANCE

- The organisation is continuing to deliver against its 2021-27 Business Plan. The Magdalene Court scheme was completed in July 2023 and provides 15 flats and 3 family houses for people in need because of their disability.
- Refurbishment works to the Mary Magdalene Bungalows have continued throughout the year. This has included internal refurbishments of 1990 Mary Magdalene bungalows when they became void and prior to being re-let and adaptations to occupied dwellings for residents with mobility and or other issues.
- The organisation reviewed its Investment Policy. This Investment Policy sets out what the Trust's investments should achieve and is fully aligned with the Business Plan.
- We continue to receive a high level of interest from potential applicants who wish to live in our almshouse accommodation. An annual review of maintenance contributions was undertaken to

make them more commensurate with the standard of property provided with a strong focus on ensuring that contributions were affordable given the increases in living costs. All maintenance contributions remain under the Local Housing Allowance rates for Newcastle upon Tyne.

- The organisation has commenced a comprehensive refurbishment of the first floor of the Vine and Provincial House building along with component replacements and improvements to communal areas throughout the building. It is expected that the refurbishment will finish in September 2024.

C. FINANCIAL REVIEW

The financial statements for the year ending 31st March 2024 show:

- Net income (exclusive of investment gains / losses) of £448,000 (2023: £349,800 net income)
- Net Investment Gain of £1,566,600 (2023: £1,532,700 loss).
- Cash Flow £575,600 negative (2023: £1,810,800 negative).
- Total Funds £46,063,900 (2023: £44,049,300).

❖ Sources of Funding and use of Funds

The Trust has two principal funding sources; Maintenance Contributions (charitable property rents) and investment income, the latter being derived from financial and property portfolios.

The Trust's policy is to set Maintenance Contributions at a level covering everyday charitable property costs and contributing to long term repairs. The Trustee is also mindful of the cost-of-living crisis and Maintenance Contributions continued to remain lower than the Local Authority Housing Allowance levels for Newcastle upon Tyne.

Investment Income from the Permanent Endowment is used to fund the loss on charitable operations, with the excess transferred to the Capital Expenditure Fund to finance the business plan.

❖ Significant Events Impacting This Year's Results

- Resident numbers increased as upgraded bungalows were released from the refurbishment program. This resulted in 98% of theoretical maintenance contributions being received in the year totaling £635,045 as opposed to 97% (£587,727) in the previous year.

- Investment income was 18.6% higher than last year, which includes £96,675 sale of lease premium, but was also affected by £550,000 withdrawal on the Edentree Investment during the year.

❖ Review of Reserves

At 31st March 2024, the balances on the Trust's various funds and the assets supporting them were as follows:

£000s	Permanent Endowment	General Reserve	Operational Estate Reserve	Capital Project Fund	Total
LGT Asset Portfolio	16,934.5	-	-	-	16,934.5
Evelyn Partners Portfolio	2,726.2	-	-	-	2,726.2
EdenTree Portfolio	318.1	-	-	-	318.1
CCLA Portfolio	5,052.6	-	-	-	5,052.6
Investment Property	7,544.9	-	-	-	7,544.9
Cash & Deposits	1,025.0	533.7	-	607.5	2,166.2
Operational Property	-	-	11,532.2	-	11,532.3
Assets Under Construction	-	-	-	53.8	53.8
Fixtures Fittings & Equipment	-	-	-	78.5	78.2
Other Current Liabilities	(236.4)	(33.7)	-	(73.1)	(343.2)
Total	**33,364.9**	**500.0**	**11532.3**	**666.7**	**46,063.9**

- Permanent Endowment
  Due to the Trust's current policy regarding the setting of Maintenance Contributions, the investment income from this fund provides the funds to cover subsidies, major revenue expenditure and to fund future capital expenditure. All income is credited to the General Reserve and capital gains / losses remain in the Permanent Endowment.

- General Reserve
  The General Reserve Policy level is £500,000 which equates to 2 years net cost of operations excluding depreciation (2023 2 years).

- Operational Estate Reserve
  This reserve represents the capitalised operational assets of the Trust and an amount equivalent to the depreciation charge is transferred from it to the Capital Projects Fund each year.

- The Capital Projects Fund
  This fund provides for the replacement of housing stock and other major items of capital and revenue expenditure. It is maintained primarily by the remaining investment income after charitable subsidies and transfers to other reserves.

❖ Investment Policy

The Trust's Investment Policy was revised in the year. Given the strong capital position, the risk levels in the financial portfolio were retained at high levels relative to previous years, to provide for greater income flows during the period of the business plan.

Ethical Criteria:
The Trustee is mindful of the charity's purposes, with a focus on the position of beneficiaries and what causes them hardship. Taking into account poverty and negative wellbeing impacts linked to poverty, the Trustee excludes direct investment in companies whose primary business is predatory lending, gambling, tobacco production and alcohol production.

Environmental, social and governance (ESG) factors and active stewardship:
ESG is an important aspect to our investments. We wish to work with an investment manager who integrates ESG research into their investment process. Our investment manager should be a signatory to the UN Principles for Responsible Investment, as a sign of best practice in this area. We wish to have a continuing dialogue with our investment manager about their own Sustainability practices, goals and performance.

Targeted returns are as follows:

Commercial Property	6% net yield
Agricultural Property	50% capital growth over 10 years
Financial Portfolio	Outperform ARC by 1%-2% over average.

❖ Risks And Uncertainties / Factors Affecting Future Performance
The following key risks and uncertainties which may impact future performance have been identified:

- Despite reviewing its investment policy, the Trust will continue to be exposed to a degree of risk due to the uncertain economic climate with growth remaining weak.

- With the adoption of the new revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited several long serving Directors are in the process of retiring. There is a transition plan in place but recruiting Directors, with the required levels of expertise and knowledge as replacements, could be challenging for the organisation as it is for small charities in general.

D. PLANS FOR FUTURE PERIODS

- There is a detailed Business Plan in place covering the organisation's future plans. This includes proposals for the redevelopment of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows.

- The charity remains committed to providing a community environment which encourages social wellbeing through the provision of a range of facilities, activities, and events. Events are being planned in consultation with residents.

- The Licensee (Residents) Committee is helping to involve residents in the running of the organization and resident involvement is an area that the organisation plans to develop further.

- The organisation joined the Almshouse Consortium in December 2023 and worked with the Consortium during the year to draft a bid for submission to Homes England for grant funding for the remodeling of 6 of the 1950 Mary Magdalene Bungalows. This included remodeling 1 bed bungalows into 2 bed bungalows, which will help address the demand on the organisation for 2 bedroom accommodation. If funding is granted it is expected that the project will start in September 2024. If the project is successful, it is hoped that future funding from Homes England will be secured for similar schemes. This will help the organisation accelerate its plans for future residential projects as well as deliver better quality, more sustainable housing for the future.

E. STRUCTURE, GOVERNANCE AND MANAGEMENT

❖ Governing Document

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the Corporate Trustee being The St Mary Magdalene & Holy Jesus Trustee Limited. The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

❖ Charity Governance Code

The Trust adopted the Charity Governance code at a meeting of the Board of the Trustee in February 2022. An assessment has been made using the Charity Governance Code template – larger charities 2020 edition to identify areas where improvement is needed. The organisation is actively working through these areas.

❖ Nomination of Directors

The following bodies are entitled to nominate Directors to the Corporate Trustee:
The Stewards Committee of the Freemen of the City of Newcastle upon Tyne (3 directors), Newcastle City Council (3 directors) and the Bishop of Newcastle (1 director). In addition, up to 3 directors (Co-opted Directors) and a Chair can be appointed in accordance with the Articles of Association (Amended July 2021).

All Directors initially hold office for a period of 3 years.

❖ Director Induction & Training

Directors who are nominated or co-opted to the Board come from a range of backgrounds. As part of their induction and training, new Directors receive the following documents in relation to the charity, its work and their responsibilities as a director - Charity Governance Code, Charity Scheme, Articles of Association, history of the charity and its governance and objectives, latest set of audited accounts and budget for the current financial year, minutes of previous Board Meetings, Scheme of Delegation, Standing Financial Instructions and Risk Management Register, management structure and details of other Directors, information about the charity's commercial and agricultural portfolio and the Charity Commission publication 'The Essential Trustee – What you need to know, what you need to do'. New Directors also meet with the Chair, Chief Executive and Finance Director to discuss the charity's strategy, objectives and current issues and are shown around the almshouse estate. All Directors are kept up to date on relevant matters affecting the charity, receive a copy of the quarterly Almshouses Gazette and are circulated with relevant information from the Charity Commission website and other appropriate publications.

Specific training and development needs are addressed in consultation with Directors and 1 meeting per year may be devoted to Director training and development. All new Directors are required to complete a skills audit and the experience, knowledge, expertise and skills of Directors are periodically reviewed. Information from the skills audit can identify any potential gaps and, where

possible, Directors try to influence and encourage appropriate nominations and appointments to the Board in order to complement and enhance the diversity of skills and perspectives.

❖ Organisation

The Directors act as stewards for both present and future beneficiaries and are accountable to the public by reason of the charitable status of the Trust. The Directors are responsible for establishing structures for the proper governance and management of the Trust and the Corporate Trustee and the development of the vision and strategy of the charity in accordance with its objects. The Board meets approximately bi-monthly to discuss operational, financial and development policy, making decisions on key issues.

The Directors receive reports from the Management Team on their respective areas of responsibility in addition to regular reports from the charity's investment managers and other professional advisors.

The overall day to day management of the Trust is delegated to the Management Team. A framework of authorities is in place which outlines the structure of delegation as well as specifying those responsibilities which remain the preserve of the Directors.

❖ Related Parties And Co-operation With Other Organisations

Although not part of a formal network of other charities, the Trust has established working relationships with charities of similar aims. Mr Paul Anderson and Mr Alan Bainbridge are Members of the Stewards Committee of The Freemen of the City of Newcastle upon Tyne.

❖ Pay Policy and performance of Senior Staff

Pay is normally increased annually to reflect a cost-of-living adjustment.

Following the adoption of the Charity Governance Code the Board of the Trustee will oversee an annual appraisal of the Chief Executive.

❖ Risk Management

A Risk Management Register is in place. The Directors have assessed the major strategic and operational risks which the charity faces and are satisfied that control systems have been developed and are in place to mitigate the identified risks. The Risk Management Register is subject to regular review by the Finance and Audit Committee incorporating any new risks which might affect the charity along with evaluating and assessing the impact of controls and actions on existing risks. These are reported to the Directors who continue to review the risk management procedures and the Risk Management Register annually and as required.

❖ Board Effectiveness

The Directors have completed a Board Effectiveness Questionnaire and a Director Skills Audit, and these will be completed every 3 years. A programme of Director appraisals has been agreed and these appraisals have commenced.

❖ Directors' terms of office

Under the Articles of Association (Amended July 2021), Directors are appointed for a term of 3 calendar years and can serve no more than 9 years. This is a significant change to the previous Articles of Association (December 2008). At the start of the year there were 4 Directors who had served for more than 9 years. This included 1 Co-opted Director and 3 nominated Directors. A recruitment exercise was held for a Co-opted Director and this position was filled during the year. The 3 remaining Directors who have served for more than 9 years are nominated Directors. These 3 remaining Directors have been appointed to serve for a further term of 1 year and discussions are being held with the nominating bodies to ensure that the skill requirements of the organisation can be met along with the organisation's requirements for Directors' terms of office.

F. REFERENCE AND ADMINISTRATIVE DETAILS OF THE ST MARY MAGDALENE AND HOLY JESUS TRUST (CHARITY), THE ST MARY MAGDALENE & HOLY JESUS TRUSTEE LIMITED (CORPORATE TRUSTEE) & PROFESSIONAL ADVISORS

Charity Name: St Mary Magdalene & Holy Jesus Trust.
The Charity operates within England and Wales and is registered with the Charity Commission with number: 225979.
Registered Office: Claremont Road, Newcastle upon Tyne, NE2 4NN.
Corporate Trustee – The St. Mary Magdalene & Holy Jesus Trustee Limited.

Directors of the Corporate Trustee, and officers who held office at the date of signing the report are listed below together with their nominating bodies.

Name	Nominated By
Mr P Anderson (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mr A R Bainbridge (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mrs Pauline Summerhill (Director)	The Stewards Committee of the Freemen of Newcastle upon Tyne (Appointed 30th May 2023)
Sir L R Fenwick CBE (Director)	Co-opted (Resigned 30th May 2023)
Mrs Ranjana Bell (Director)	Co-opted (Appointed 30th May 2023)

St Mary Magdalene & Holy Jesus Trust

Mr J P Lee OBE (Chair and Director)	Co-opted
Mr L McGray	Co-opted (Resigned 17th January 2024)
Mr D W Midgley OBE	Co-opted (Resigned 6th June 2024)
Mr Micheal James Cole	Co-opted (Appointed 5th August 2024)
Councillor Mrs L Wright	Newcastle City Council
Councillor W B Taylor	Newcastle City Council
Canon P R Strange	Bishop of Newcastle
Councillor P Frew	Newcastle City Council

Mr Jon Mitford (Chief Executive Officer)	Appointed 21st August 2020
Mr Neal Croudace (Finance Director)	Appointed to this role 1st April 2021

The Trust's Professional Advisors:

Property Agents:	Hindmarsh & Partners Chartered Surveyors 49 Park View, Whitley Bay, Tyne & Wear, NE26 2TP
	Galbraith 59 George Street, Edinburgh, EH2 2JG
Solicitors:	Samuel Phillips 18-24 Grey Street, Newcastle upon Tyne NE1 6AD
	Womble Bond Dickinson St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX

Investment Managers:	LGT Capital Limited 1 George Street, Edinburgh, EH2 2LL Evelyn Partners Investment Management LLP 45 Gresham Street, London EC2V 7BG EdenTree Investment Management Limited Beaufort House, Brunswick Road, Gloucester, GH1 1JZ CCLA Senator House, London, EC4V 4ET
Auditors:	Azets Audit Services, Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Bankers:	Lloyds TSB 102 Grey Street, Newcastle upon Tyne, NE99 1SL NatWest 16 Northumberland Street, Newcastle upon Tyne, NE1 7EL Virgin Money 131-135 Northumberland Street, Newcastle upon Tyne, NE1 7AG

G. STATEMENT OF TRUSTEES' RESPONSIBILITY

The Board of the Trustee (The Directors of St Mary Magdalene & Holy Jesus Trustee Limited as detailed above) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the Trustee 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 Statements of Financial Activities of the charity for that period. In preparing those financial statements the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustee is responsible for keeping proper 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 Report) Regulations 2008 and the Charity's Scheme. 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.

H. AUDITORS

Azets Audit Services were appointed as the Trust's auditors for a three-year term with annual review in January 2024 replacing Haines Watts.

This Report was approved by The Board of The Corporate Trustee (The St. Mary Magdalene & Holy Jesus Trustee Limited) on. 5/12/24.

Signed.....
On behalf of The St. Mary Magdalene & Holy Jesus Trustee Limited

J P Lee - Chair

ST MARY MAGDALENE AND HOLY JESUS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ST MARY MAGDALENE AND HOLY JESUS TRUST

Opinion

We have audited the financial statements of St Mary Magdalene and Holy Jesus Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

We identified the following applicable laws and regulations as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Charities Act.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF ST MARY MAGDALENE AND HOLY JESUS TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 the charity's 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

6-12-24

Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2024

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2024 £000's	Total 2023 £000's
Income and endowments from:						
Donations and legacies	1	0.0	0.0	0.0	0.0	0.4
Charitable activities	2	635.0	0.0	0.0	635.0	587.7
Investments	3	1,506.6	0.0	0.0	1,506.6	1,228.7
Total income and endowments		2,141.6	0.0	0.0	2,141.6	1,816.8
Expenditure on:						
Raising funds	4	0.0	0.0	435.0	435.0	289.9
Charitable activities	5	1,124.5	134.1	0.0	1,258.6	1,177.1
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		1,124.5	134.1	435.0	1,693.6	1,467.0
Net income / (expenditure) before investment gains		1,017.1	(134.1)	(435.0)	448.0	349.8
Net gain on investments	13	0.0	0.0	1,566.6	1,566.6	(1,532.7)
Net income / (expenditure)		1,017.1	(134.1)	1,131.6	2,014.6	(1,182.9)
Transfers						
Gross transfers between funds	18	(1,017.1)	799.0	218.1	0.0	0.0
		0.0	664.9	1,349.7	2,014.6	(1,182.9)
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	664.9	1,349.7	2,014.6	(1,182.9)
Reconciliation of Funds						
Total funds brought forward		500.0	11,534.1	32,015.2	44,049.3	45,232.2
Total funds carried forward	18	500.0	12,199.0	33,364.9	46,063.9	44,049.3

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2023

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2023 £000's	Total 2022 £000's
Income and endowments from:						
Donations and legacies	1	0.4	0.0	0.0	0.4	0.0
Charitable activities	2	587.7	0.0	0.0	587.7	557.5
Investments	3	1,228.7	0.0	0.0	1,228.7	1,235.1
Total income and endowments		1,816.8	0.0	0.0	1,816.8	1,792.6
Expenditure on:						
Raising funds	4	0.0	0.0	289.9	289.9	278.5
Charitable activities	5	1,018.7	158.4	0.0	1,177.1	1,701.3
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		1,018.7	158.4	289.9	1,467.0	1,979.8
Net income / (expenditure) before investment gains		798.1	(158.4)	(289.9)	349.8	(187.2)
Net losses on investments	13	0.0	0.0	(1,532.7)	(1,532.7)	(848.0)
Net income / (expenditure)		798.1	(158.4)	(1,822.6)	(1,182.9)	(1,035.2)
Transfers						
Gross transfers between funds	18	(798.1)	605.4	192.7	(0.0)	-
		0.0	447.0	(1,629.9)	(1,182.9)	(1,035.2)
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	447.0	(1,629.9)	(1,182.9)	(1,035.2)
Reconciliation of Funds						
Total funds brought forward		500.0	11,087.1	33,645.1	45,232.2	46,267.4
Total funds carried forward	18	500.0	11,534.1	32,015.2	44,049.3	45,232.2

St Mary Magdalene & Holy Jesus Trust
Balance Sheet as at 31st March 2024

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2024 £000's	Total 2023 £000's
Fixed Assets:						
Operational Estate	12	0.0	11,664.5	0.0	11,664.5	10,411.7
Investments	13	0.0	0.0	32,576.3	32,576.3	31,662.8
Total Fixed Assets		0.0	11,664.5	32,576.3	44,240.8	42,074.5
Current Assets						
Debtors	14	70.3	0.0	35.4	105.7	36.1
Cash at bank and in hand		533.3	607.6	1,025.0	2,165.9	2,741.5
Total current assets		603.6	607.6	1,060.4	2,271.6	2,777.6
Liabilities						
Creditors						
Amounts falling due within one year	15	(103.6)	(73.1)	(271.8)	(448.5)	(802.8)
Net current assets		500.0	534.5	788.6	1,823.1	1,974.8
Total assets less current liabilities		500.0	12,199.0	33,364.9	46,063.9	44,049.3
Net Assets		500.0	12,199.0	33,364.9	46,063.9	44,049.3
The funds of the charity						
Permanent Endowment Fund		0.0	0.0	33,364.9	33,364.9	32,015.2
General Reserve		500.0	0.0	0.0	500.0	500.0
Capital Projects Fund		0.0	666.7	0.0	666.7	3,759.2
Operational Estate Reserve		0.0	11,532.3	0.0	11,532.3	7,774.9
Total Charity Funds	18	500.0	12,199.0	33,364.9	46,063.9	44,049.3

The financial statements were approved by the trustees on 5-12-24

Signature.....

J P Lee - Chair

St Mary Magdalene & Holy Jesus Trust

Cash Flow Statement for the Year Ending 31st March 2024

	Notes	£000's 2024	£000's 2023
Net cash inflow from operating activities	(a)	256.6	1,053.8
Cash flow from investing activities			
Capital Expenditure on Operational Estate		(1,406.9)	(2,964.3)
Capital Expenditure on Fixtures Fittings & Equipment		(78.4)	-
Net investment income received		(673.6)	(615.0)
Purchase of investments		(2,014.6)	(3,845.4)
Sale of investments		3,341.3	4,560.1
Net cash flow from investing activities		(832.2)	(2,864.6)
Net increase in cash and cash equivalents		(575.6)	(1,810.8)
Cash and cash equivalents at 1 April 2023		2,741.5	4,552.3
Cash and cash equivalents at 31 March 2024	(b)	2,165.9	2,741.5

(a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing) resources before other recognised gains and losses	448.0	349.8
Depreciation	232.5	186.5
Decrease / (Increase) in Debtors	(69.6)	33.2
Increase / (Decrease) in Creditors	(354.3)	484.3
Net cash inflow / (outflow) from operating activities	256.6	1,053.8

(b) Cash and cash equivalents consist of:

Cash at bank and in hand	2,165.9	2,741.5
Cash and cash equivalents at 31 March 2024	2,165.9	2,741.5

Summary of Significant Accounting Policies

(a) General information and basis of preparation

St Mary Magdalene & Holy Jesus Trust is a Trust set up by a Charitable Trust Deed on 19 November 1963 which was last amended on 22 December 2008 in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in the Trustees' Annual Report. The nature of the charity's operations and principal activities are the provision of housing – Almshouses – for older persons who are in need, hardship or distress within Newcastle upon Tyne, payments for the relief in need of the Brethren and Sister of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett, and making grants to and providing or paying for items, services and facilities for individuals and organisation who are in need, hardship or distress.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

(i) Unrestricted Funds (General Reserve)

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

(ii) Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(iii) Restricted Funds

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

(iv) **Endowment Funds**

Endowment funds represent those assets which must be held permanently by the charity, principally Investments and Investment Properties (including associated revaluation reserves). Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(c) **Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is provable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

When applicable, gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity currently receives no government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

(i) Costs of raising funds includes:
All costs of managing the charity's investments are included in this heading as per paragraph 4.46 of the SORP. These include management fees and the costs of keeping investment properties in good repair.

(ii) Expenditure on charitable activities includes:
All direct and support costs incurred in the running of the charity's almshouses are charged to this heading. Also included are allowances to Brethren and Sisters of the hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett.

Other expenditure represents those items not falling into categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are considered to be wholly attributable to expenditure on charitable activities. Premises overheads and other overheads are all considered to be support costs relating directly to charitable activities.

Fund-raising costs are those incurred in managing the charity's investment portfolio and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Fixed Assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

(i)	Buildings (Operational Estate)	-	50 years
(ii)	Residential Care Home Building	-	25 years
	The Residential Care Home building is now vacant except for those areas used as office space, chapel and welfare and dining facilities. At 31.3.2016 the facility was written down to a value equating to £10 / sq. ft. per annum with an expected useful life of 5 years. At 31.3.21 its book value was therefore zero.		
(iii)	Fixtures and Fittings	-	10 years
(iv)	Software and Motor Vehicles	-	5 years

Fixed assets below a value of £5,000 are not capitalised

(g) Investment Assets

Financial Investments are included in the Financial Statements at Market Value. Realised gains and losses are included in the SOFA and are credited or charged to the reserves against which the assets are held.

Investment Properties of the Trust are held for long term investment. They are accounted for in accordance with SORP (FRS 102) as follows:

(i) They are disclosed at Market Value.
(ii) The valuations are carried out every three to five years subject only to obtaining advice as to the possibility of any material movements between individual valuations.
(iii) Realised and unrealised gains are included in the SOFA and credited or charged to the Permanent Endowment Fund.

(iv) No depreciation is provided in respect of these properties.

The non-agricultural element of the commercial estate was valued by Hindmarsh & Partners as at 31st March 2022 on the basis of Fair Value as detailed by the Royal Institution of Chartered Surveyors in the RICS Red Book. The valuation of the Chippendale Properties assumes vacant possession as the trustees do not envisage selling subject to the existing tenancies. The trustees have reviewed the carrying value of these assets in the light of prevailing economic conditions and consider that there is no impairment to that value.

The Farms and Woodlands etc. were valued by Galbraith as at 17th March 2022 by way of a percentage uplift based on the selling price achieved on the Great Law Farm sale over its previous book carrying value. Any development values relating to options given to housing developers in farm properties are not included within these financial statements, due to the inherent uncertainty of ultimately realising the value on such arrangements.

The trustees do not consider that there have been any significant changes to these valuations in the period since.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Employee Benefits

Pension benefits are provided through the Tyne & Wear Pension Fund, which is a defined benefit scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the Scheme. The benefits are funded over the employee's period of service and contributions are in accordance with the most recent actuarial valuation of the fund.

The actuary to the Scheme has confirmed that it is not possible to separately identify the assets and liabilities relating to each separate body that participates in the Scheme. The accounting is, therefore, based on a defined contribution basis.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted cash flows are considered sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- The charity's Residential Care Home was closed in 2012 and has remained empty since apart from those areas used as administration offices and dining room / kitchen, chapel and welfare facilities. It is appreciated that in the longer term this situation is untenable and that the building has a limited life. To that end it was re-valued at a suitable rental rate with a proposed future life of 5 years from 31st March 2016. At 31st March 2024 its net book value was zero.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Valuation of farms
  The majority of the farms are located on or near to former coal or industrial workings. It has been assumed that no past or present uses of the land would lead to a potential for contamination. Should it be established subsequently that contamination, seepage or pollution exists at any of the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this might reduce the values now reported.

1 Income from donations and legacies

	2024	2023
	£000's	£000's
Donations Received	0.0	0.4

All donations represent unrestricted funds.

2 Incoming resources from charitable activities

	2024	2023
	£000's	£000's
Sheltered Housing	635.0	587.7

3 Income from investments

	2024	2023
	£000's	£000's
Commercial Estate	684.3	490.2
Managed Financial Investments	788.9	711.1
Interest on Other Cash Balances	33.4	27.4
	1,506.6	1,228.7

All investment income represents unrestricted funds.

4 Raising Funds:

Investment management costs	Unrestricted	Restricted	Endowment	2024	2023
	£000's	£000's	£000's	£000's	£000's
Legal fees	0.0	0.0	1.9	1.9	5.5
Investment manager fees	0.0	0.0	148.3	148.3	142.3
Other	0.0	0.0	284.8	284.8	142.1
	0.0	0.0	435.0	435.0	289.9

£495,025 (2023 - £289,900) of the above costs were attributable to endowment funds.

5 Analysis of expenditure on charitable activities

	Activities under Taken Directly £000's	Support Costs £000's	Total 2024 £000's	Total 2023 £000's
Sheltered Housing	938.7	313.1	1,251.8	1,167.2
Grants to Brethren	6.8	0.0	6.8	9.7
Other Donations	0.0	0.0	0.0	0.2
	945.5	313.1	1,258.6	1,177.1

6 Allocation of Support Costs

	Total 2024 £000's	Total 2023 £000's
All Support costs are attributable to Sheltered Housing		
Provision of Meals	6.4	43.3
Administration Salaries and Expenses	217.9	240.4
Administration Building Costs	45.9	63.8
Chaplaincy Costs	0.0	0.0
Governance	30.2	25.4
Other Support Costs	12.7	28.4
	313.1	401.3

Note: The Trust has registered for VAT and can only partially recover input VAT. The amount irrecoverable is included in the above figures. As a result of registration, VAT amounting to £58,205.90 (2023: £40,345) has been recovered during the year.

7 Governance Costs

	Total 2024 £000's	Total 2023 £000's
Legal & Professional Fees	10.7	10.0
Auditor's Remuneration	12.5	10.1
Insurance	1.9	1.7
Other	5.1	3.6
	30.2	25.4

8 Net income / (expenditure) for the year

	Total 2024 £000's	Total 2023 £000's
Net income/(expenditure) for the year is stated after (charging) / crediting:		
Depreciation of tangible fixed assets	(232.5)	(186.5)
Profit on sale of investment property	0.0	0.0
Loss on fair value movement of investment property	0.0	0.0
Profit / (loss) on fair value movement of investments	1,566.6	(1,532.7)

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £12,500 (2023 - £10,100)

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023: £Nil).

The Total amount of employee benefits received by key management personnel was £75,496 (2023 : £121,149). The trust considers its key management personnel to comprise non trustees who directly contribute to the Trust's board meetings.

No trustees are accruing pension arrangements (2023: £Nil)

The trustees did not have any expenses reimbursed during the year (2023: £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:-

Average Number of Employees	2024 Average	2024 FTE	2023 Average	2023 FTE
Raising funds	0	0	0	0
Charitable activities	7	7	7	7
Governance	0	0	0	0
	7	7	7	7

The total staff costs and employee benefit's was as follows:

	2024 £000's	2023 £000's
Gross Wages	200.9	221.9
NI Contributions	13.9	23.2
Pension Contributions	23.8	33.8
	238.6	278.9
Agency Staff	0.0	29.3
	238.6	308.2

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

12 Operational Estate

	Operational Buildings £000's	Assets Under Construction	Fixtures, Fittings & Equipment £000's	Total £000's
Cost at 31st March 2023	15,388.9	2,636.8	287.0	18,312.7
Additions	20.0	1,386.9	78.4	1,485.3
Transfers	3969.9	(3,969.9)	0.0	0.0
Disposals	-	0.0	(6.8)	(6.8)
Cost at 31st March 2024	19,378.8	53.8	358.6	19,791.2
Depreciation at 31st March 2023	7,614.3	0.0	286.7	7,901.0
Charge for year	232.2	0.0	0.3	232.5
Disposals	0.0	0.0	(6.8)	(6.8)
Depreciation at 31st March 2024	7,846.5	0.0	280.2	8,126.7
Net Book Value at 31st March 2024	11,532.3	53.8	78.4	11,664.5
Net Book Value at 31st March 2023	7,774.6	2,636.8	0.3	10,411.7

13 Investment Assets

	[Unrestricted] General Reserve £000's	[Permanent Endowment] Financial Investments [1] £000's	[Permanent Endowment] Commercial Estate [2] £000's	[Permanent Endowment] Total £000's	Total Investments 2024 £000's	Total Investments 2023 £000's
Carrying value at beginning of year	0.0	24,079.3	7,583.5	31,662.8	31,662.8	33,295.2
Add: Additions to investments at cost	0.0	3,617.4	48.5	3,665.9	3,665.9	3,845.4
Less: Disposal proceeds	0.0	(3,616.8)	(111.3)	(3,728.1)	(3,728.1)	(3,846.0)
Gains / (Losses) on Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Withdrawals	0.0	(1,264.5)	0.0	(1,264.5)	(1,264.5)	(714.1)
Revaluation	0.0	1,542.4	24.2	1,566.6	1,566.6	(1,532.7)
Investment Income Realised	0.0	788.9	0.0	788.9	788.9	711.1
Management Fees Paid	0.0	(115.3)	0.0	(115.3)	(115.3)	(96.1)
Carrying value at end of year	0.0	25,031.4	7,544.9	32,576.3	32,576.3	31,662.8
Investment Assets comprise:						
Investment properties	0.0	0.0	7,544.9	7,544.9	7,544.9	7,583.5
Listed Investments	0.0	25,031.4	0.0	25,031.4	25,031.4	23,786.8
	0.0	25,031.4	7,544.9	32,576.3	32,576.3	31,370.3
Cash balances held in Investment Portfolio	0.0			0.0	0.0	292.5
	0.0	25,031.4	7,544.9	32,576.3	32,576.3	31,662.8
Investment Income 2024	0.0	788.9	684.3	1,473.2	1,473.2	[Note 3]
Investment Income 2023	0.0	711.1	490.2	1,201.3	1,201.3	

[1] **Financial Investments**
The fair value of listed investments carried in the Permanent Endowment is determined by reference to the quoted price at the balance sheet date.

[2] **Commercial Estate**
In accordance with accounting policy, the Trust's holdings of investment land, buildings and farms was reviewed by its commercial and agricultural property agents on 31st March 2022. The Trustees have reviewed the portfolio and consider that there have been no material changes to the valuation since 31st March 2022.

The historical cost of the investments at the balance sheet date was £22,691,037 (2023: £23,602,931).

At the year end the following investments represented more than 5% of the total value of the investment portfolio:
Gov bonds 0.25 £494,705
Volare offshore global fixed £292,149
Volare offshore stirling £1,081,934
CCLA Investment £5,052,595

14 Debtors	2024 £000's	2023 £000's
Rents Receivable	50.7	14.4
Prepayments and Accrued Income	55.0	21.7
	105.7	36.1

15 Creditors	2024 £000's	2023 £000's
Trade Creditors	31.0	47.6
Accruals and Deferred Income	417.5	755.2
	448.5	802.8

16 Deferred income	2024 £000's	2023 £000's
At 31 March 2023	59.4	87.7
Additions during the year	600.4	450.7
Amounts released to income	(572.9)	(479.0)
At 31 March 2024	86.9	59.4

Deferred income relates to commercial property rents paid in advance.

17 Movement on Funds

		Desginated	Restricted			
	General Reserve £000's	Capital Projects Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Permanent Endowment General Fund £000's	Total Funds £000's
Balance at 31st March 2023	500.0	3,759.2	7,774.9	11,534.1	32,015.2	44,049.3
Net Incoming/(Outgoing) Resources	1,017.1	(134.1)	0.0	(134.1)	(435.0)	448.0
Transfers:						
Amortisation of Operational Estate Res.	0.0	232.5	(232.5)	0.0	0.0	0.0
Other Transfers	(1,017.1)	(3,190.9)	3,989.9	799.0	218.1	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	1,566.6	1,566.6
Balance at 31st March 2024	500.0	666.7	11,532.3	12,199.0	33,364.9	46,063.9

Transfers between funds
Per current policy:

1. A transfer equal to the annual depreciation charge of £232,522 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. Other transfers relate to the reduction of the general reserve to £500,000 as per the current policy, and the allocation of amounts relating to the permanent endowment.

17 Movement on Funds

	Desginated		Restricted			
	General Reserve	Capital Projects Fund	Operational Estate Reserve	Total Restricted & Designated Funds	Permanent Endowment General Fund	Total Funds
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 31st March 2022	500.0	3,633.3	7,453.8	11,087.1	33,645.1	45,232.2
Net Incoming/(Outgoing)	798.1	(158.4)	0.0	(158.4)	(289.9)	349.8
Transfers:						
Amortisation of Operational	0.0	186.5	(186.5)	0.0	0.0	0.0
Other Transfers	(798.1)	97.8	507.6	605.4	192.7	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	(1,532.7)	(1,532.7)
Balance at 31st March 2023	500.0	3,759.2	7,774.9	11,534.1	32,015.2	44,049.3

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £186,500 was transferred from the Operational Estate Reserve to the Capital Projects
2. Other transfers relate to the reduction of the general reserve to £500,000 as per the current policy, and the allocation of amounts relating to the permanent endowment.

17 Movement on Funds (continued)

Fund descriptions

Unrestricted Funds

General Reserve

All income is credited to the General Reserve and all costs of charitable activites charged to it, except for those which are deemed to be items covered by the Capital Expenditure Fund. The policy level for the Reserve was been reduced to £500,000 during the year ended 31st March 2021. Any surplus over this amount is transferred to the Capital Projects Fund.

Designated Funds

(a) Operational Estate Reserve

This reserve was created in order to bring the capitalised Operational Estate of the Trust (The Residential Care Home, Sheltered Housing and associated fixtures and fittings) into the Financial Statements at cost less accumulated depreciation in accordance with SORP 2005. Under SORP 2000 these assets were not valued as they were considered "inalienable". The scope was widened in the Financial Year ended 31st March 2010 and the balance increased to reflect the book value of all operational assets. This reserve is amortised back to the Capital Expenditure Reserve in line with the depreciation charge.

(b) Capital Projects Fund

This fund was created during the Financial Year Ended 31st March 2010 to provide for the future Capital Expenditure requirements of the Trust.

Endowment funds

(a) Permanent Endowment Fund

The Permanent Endowment Fund is a form of restricted fund and represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. All costs relating to Permanent Endowment Assets are charged to this Fund.

18 Analysis of net assets between funds

As at 31 March 2024

	Unrestricted £000	Designated £000	Restricted £000	Endowment £000	Total £000
Fixed assets	0.0	11,664.5	0.0	32,576.3	44,240.8
Cash and current asset investments	533.3	607.6	0.0	1,025.0	2,165.9
Other current assets/liabilites	(33.3)	(73.1)	0.0	(236.4)	(342.8)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	12,199.0	0.0	33,364.9	46,063.9

As at 31 March 2023

	Unrestricted £000	Designated £000	Restricted £000	Endowment £000	Total £000
Fixed assets	0.0	10,411.7	0.0	31,662.8	42,074.5
Cash and current asset investments	561.8	1,628.5	0.0	551.2	2,741.5
Other current assets/liabilites	(61.8)	(506.1)	0.0	(198.8)	(766.7)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	11,534.1	0.0	32,015.2	44,049.3

19 Pension Commitments

The Trust participates in the Tyne and Wear Pension Fund for its employees.

Under the definitions set out under Financial Reporting Standard 17 (Retirement Benefits), the Tyne and Wear Pension Fund is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in Section 28 of FRS102, the Financial Reporting Standard applicable in the UK and Ireland.

Pension contributions payable for the year ended 31st March 2024 amounted to £23,752 (2023: £33,777) and there were 6 employees (2023: 2) participating in the scheme during the year.

Under the 2019 scheme valuation, no additional deficit contributions are payable (2023: £Nil)

20 Capital Commitments

In 2021 the Trust entered into a contract with Meldrum Construction Services Ltd for the refurbishment of vacant Mary Magdalene Bungalows. The refurbishment has largely been completed during the year, with only small amounts remaining outstanding on the Contract Value.

In 2022 the Trust entered into a contract with Meldrum Construction Services Ltd for the demolition and reprovision of accommodation at Magdalene Court. The refurbishment has largely been completed during the year, with only small amounts remaining outstanding on the Contract Value.

In 2024 the Trust entered into a contract with Aptus Construction for the refurbishment of areas of the Vine and Provincial House Building. The majority of the works will take place in 2024-5 with the cost being £1,260,000

21 Related party transactions:

A number of trustees have members of their Freemen Companies receiving sheltered housing provided by the charity. All of the beneficiaries qualify for housing under the charity eligibility criteria. All transactions with those related parties were at arms length.

22 Control

The charity is controlled by the Board of Trustees.

ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales - Charity number 225979

Accounts

The St. Mary Magdalene & Holy Jesus Trust

Registered Charity No 225979

Report and Financial Statements

For the year ended 31st March 2023

THE ST. MARY MAGDALENE
& HOLY JESUS TRUST

Claremont Road, Newcastle upon Tyne, NE2 4NN
Telephone: (0191) 269 7920
email: st.marymagdalene@mmhjtrust.com
Registered Charity No 225979

Trustee: St Mary Magdalene and Holy Jesus Trustee Limited
Chair: Mr J Lee, OBE

St Mary Magdalene & Holy Jesus Trust

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St Mary Magdalene & Holy Jesus Trust

Trustees Annual Report for the year ended 31st March 2023

A. OBJECTIVES AND ACTIVITIES

The St Mary Magdalene & Holy Jesus Trust is an almshouse charity located in Spital Tongues, Newcastle upon Tyne whose main objective is to assist older people who are in need, hardship or distress by providing housing. In fulfilling this objective, the charity also aims to assist its beneficiaries to live independently.

The St Mary Magdalene & Holy Jesus Trust has a long history stretching back several hundred years. It was an amalgamation of two Almhouses, The Hospital of St. Mary Magdalene, which was founded in the 12th century and the Hospital of the Holy Jesus, which was founded in the 17th century along with three other charities. These Almshouses and charities were brought together in the Hospital of St. Mary Magdalene and other Charities (Newcastle upon Tyne), Charity Scheme Confirmation Act, 1959.

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the corporate trustee being The St Mary Magdalene & Holy Jesus Trustee Limited (The Trustee).

The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

At the end of the reporting period, the charity had 128 almshouses:

- St. Mary Magdalene: 79 bungalows
- Holy Jesus: 49 bungalows

In addition, the charity is close to completing the redevelopment of the former Magdalene Court flats site, owns a former care home, which is no longer used for residential accommodation and owns 4 flats referred to as the "Chippendale Properties" 3 of which are occupied with the remaining flat in the process of being sold (See Section D). The Trustees will earmark any funds from the sale to procure alternative accommodation of equivalent amenity value.

In accordance with the Trust's Scheme, when making appointments, The Trustee must give preference to certain classes of persons who are required to meet specific eligibility criteria. Freemen of the City of Newcastle upon Tyne are given preference for certain specified almshouses. In 2009, the Economic Development and Construction Act gave the daughters of Freemen the same prescriptive rights as the sons of Freemen. At the time of reporting, there were 10 bungalows occupied by Freemen of the City of Newcastle upon Tyne.

Regarding other homes, preference is given to other qualifying applicants who do not have a connection to the Freemen of the City of Newcastle upon Tyne. Details of the class of person to whom preference must be given does vary across the Trust's properties. Detailed information is provided in the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023).

The Trust also makes quarterly grants to the beneficiaries of 3 "hospitals" that were originally part of the same range of buildings as the old Hospital of Holy Jesus. These beneficiaries are non-resident and all must be in need, hardship or distress. There are no age or residence qualifications.

- Ann Davison Hospital
  Comprises 6 beneficiaries of whom three must be poor widows of Clergymen and the poor widows of Freemen with preference being given to the widows of merchants.

- Thomas Davison Hospital
  Comprises 6 beneficiaries who must be the poor widows or unmarried daughters of Freemen.

- Sir Walter Blackett Hospital
  Comprises 6 beneficiaries who must be poor unmarried Freemen.

In addition, a quarterly allowance is paid to the Freemen residents who live on the site. The Trustee

provides the following additional benefits for residents of the Almshouses:

- An on-site Handyman Service.
- A free emergency call alarm system that can be accessed 24/7 which includes smoke alarm and C02 alarm monitoring and, for those residents who are assessed as having specific needs, the provision of a free daily morning call and/or additional telecare services.
- Security service which includes an on-site security guard.
- Communal grounds.
- Free social activities and events.
- A site chapel.

The Trust also has the power to make grants to provide or pay for items, services and facilities for individuals, organisations and institutions that are in accordance with the objects of the St Mary Magdalene and Holy Jesus Trust. During the year ended 31st of March 2022, the Trustee made a grant of around £10,000 to Caring Hands. Caring Hands are a charity that provides a range of services to vulnerable people in Newcastle upon Tyne. It should be noted that the funds did not come from the Trust directly but were provided from the estate of a deceased resident in accordance with their will. Payment of this grant was completed during the year ended 31st of March 2023.

The Trustee has given due consideration to the Charity Commission's guidance in relation to public benefit. The charitable purposes undertaken by the Trust which meet the requirements under the Charities Act 2011 are: (a) the prevention or relief of poverty and (b) the relief of those in need because of age, ill-health, disability, financial hardship or other disadvantage.

B. ACHIEVEMENTS & PERFORMANCE

- The organisation is continuing to deliver against its 2021-27 Business Plan. The Magdalene Court scheme commenced in June 2022 and is due for completion in July 2023. This will provide 15 flats suitable for people with disabilities along with 3 family houses which are also suitable for people with disabilities.
- Refurbishment works to the Mary Magdalene Bungalows have continued throughout the year.

This has included an external refurbishment programme for the 25 1990 Mary Magdalene bungalows, which resulted in raising the Energy Performance Certificate rating for these properties from a D to a C. Additional 1950 Mary Magdalene Bungalows have also been refurbished during the year.

- The organisation reviewed its Investment Policy. This Investment Policy sets out what the Trust's investments should achieve and is fully aligned with the Business Plan.
- We continue to receive a high level of interest from potential applicants who wish to live in our almshouse accommodation. An annual review of maintenance contributions was undertaken to make them more commensurate with the standard of property provided with a strong focus on ensuring that contributions were affordable given the increases in living costs. All maintenance contributions remain under the Local Housing Allowance rates for Newcastle upon Tyne.
- The organisation has produced a Value Statement, which provides a set of guiding principles for the organisation. The Value Statement was informed by stakeholders, guides decision making and establishes a standard for assessing actions and future proposals.

C. FINANCIAL REVIEW

The financial statements for the year ending 31st March 2023 show:

- Net surplus (exclusive of investment gains / losses) of £349,800 (2022: £187,200 net loss)
- Net Investment Loss of £1,532,700 (2022: £848,000 loss).
- Cash Flow £1,810,800 negative (2022: £1,318,900 positive).
- Total Funds £44,049,300 (2022: £45,232,200).

❖ Sources of Funding and use of Funds

The Trust has two principal funding sources; Maintenance Contributions (charitable property rents) and investment income, the latter being derived from financial and property portfolios.

The Trust's policy is to set Maintenance Contributions at a level covering everyday charitable property costs and contributing to long term repairs. Trustees are also mindful of the cost-of-living crisis and Maintenance Contributions continued to remain lower than the Local Authority Housing Allowance levels for Newcastle upon Tyne.

Investment Income from the Permanent Endowment is used to fund the loss on charitable operations, with the excess transferred to the Capital Expenditure Fund to finance the business plan.

❖ Significant Events Impacting This Year's Results

- Resident numbers increased as upgraded bungalows were released from the refurbishment program. This resulted in 97% of theoretical maintenance contributions being received in the year totaling £578,727 as opposed to 91% (£542,800) in the previous year.

- Investment Income was 0.5% lower than the prior year, with decreases in commercial estate income being offset financial investment income increasing due to both the restructuring of

the portfolio and the additional income derived from reinvesting the former Northumberland Street Sinking Fund.

❖ Review of Reserves

At 31st March 2023, the balances on the Trust's various funds and the assets supporting them were as follows:

£000s	Permanent Endowment	General Reserve	Operational Estate Reserve	Capital Project Fund	Total
ABDN Asset Portfolio	15,908.5	-	-	-	15,908.5
Evelyn Partners Portfolio	2,640.8	-	-	-	2,640.8
EdenTree Portfolio	896.9	-	-	-	896.9
CCLA Portfolio	4,633.2	-	-	-	4,633.2
Investment Property	7,583.5	-	-	-	7,583.5
Cash & Deposits	551.2	562.1	-	1,628.5	2,741.8
Operational Property	-	-	7,774.9	-	7,774.9
Assets Under Construction	-	-	-	2,636.8	2,636.8
Other Current Liabilities	(198.9)	(62.1)	-	(506.1)	(767.1)
Total	**32,015.2**	**500.0**	**7,774.9**	**3,759.2**	**44,049.3**

- Permanent Endowment
  Due to the Trust's current policy regarding the setting of Maintenance Contributions, the investment income from this fund provides the funds to cover subsidies, major revenue expenditure and to fund future capital expenditure. All income is credited to the General Reserve and capital gains / losses remain in the Permanent Endowment.

- General Reserve
  The General Reserve Policy level is £500,000 which equates to 2 years net cost of operations excluding depreciation (2022 2 years).

- Operational Estate Reserve
  This reserve represents the capitalised operational assets of the Trust and an amount equivalent to the depreciation charge is transferred from it to the Capital Projects Fund each year.

- The Capital Projects Fund
  This fund provides for the replacement of housing stock and other major items of capital and revenue expenditure. It is maintained primarily by the remaining investment income after charitable subsidies and transfers to other reserves.

- The Northumberland Street Sinking Fund was set up under an order of the Charity Commissioners sealed on 7 July 1980. The purpose of this fund was to recoup out of investment income the sum of £6,300,000 which is the difference between the sales proceeds of Northumberland Street properties and their estimated value with vacant possession.

  The Charity Commission discharged the order on November 15th 2021 resulting in the closure

of the fund and its transfer to the Permanent Endowment.

❖ Investment Policy

The Trust's Investment Policy was revised in the year. Given the strong capital position, the risk levels in the financial portfolio were increased to provide for greater income flows during the period of the business plan.

Ethical Criteria:
The Trustee are mindful of the charity's purposes, with a focus on the position of beneficiaries and what causes them hardship. Taking into account poverty and negative wellbeing impacts linked to poverty, the Trustee excludes direct investment in companies whose primary business is predatory lending, gambling, tobacco production and alcohol production.

Environmental, social and governance (ESG) factors and active stewardship:
ESG is an important aspect to our investments. We wish to work with an investment manager who integrates ESG research into their investment process. Our investment manager should be a signatory to the UN Principles for Responsible Investment, as a sign of best practice in this area. We wish to have a continuing dialogue with our investment manager about their own Sustainability practices, goals and performance.

Targeted returns are as follows:

Commercial Property	6% net yield
Agricultural Property	50% capital growth over 10 years
Financial Portfolio	Outperform ARC by 1%-2% over average.

❖ Risks And Uncertainties / Factors Affecting Future Performance
The following key risks and uncertainties which may impact future performance have been identified:

- Despite reviewing its investment policy, the Trust will continue to be exposed to a degree of risk due to the uncertain economic climate with growth remaining weak.

- With the adoption of the new revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited several long serving Directors are in the process of retiring. There is a transition plan in place but recruiting Directors, with the required levels of expertise and knowledge as replacements, could be challenging for the organisation as it is for small charities in general.

D. PLANS FOR FUTURE PERIODS

- There is a detailed Business Plan in place covering the organisation's future plans. This includes proposals for the redevelopment of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows.

- The charity remains committed to providing a community environment which encourages social wellbeing through the provision of a range of facilities, activities, and events. Events are being planned in consultation with residents.

- The Licensee (Residents) Committee is helping to involve residents in the running of the organization and resident involvement is an area that the organisation plans to develop further.

E. STRUCTURE, GOVERNANCE AND MANAGEMENT

❖ Governing Document

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the Corporate Trustee being The St Mary Magdalene & Holy Jesus Trustee Limited. The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (As amended by supplemental schemes dated 25 February 2022 and 2 May 2023) and Articles of Association (Amended July 2021).

❖ Charity Governance Code

The Trust adopted the Charity Governance code at a meeting of the Board of the Trustee in February 2022. An assessment has been made using the Charity Governance Code template – larger charities 2020 edition to identify areas where improvement is needed. The organisation is actively working through these areas.

❖ Nomination of Directors

The following bodies are entitled to nominate Directors to the Corporate Trustee:
The Stewards Committee of the Freemen of the City of Newcastle upon Tyne (3 directors), Newcastle City Council (3 directors) and the Bishop of Newcastle (1 director). In addition, up to 3 directors (Co-opted Directors) and a Chair can be appointed in accordance with the Articles of Association (Amended July 2021).

All Directors initially hold office for a period of 3 years.

❖ Director Induction & Training

Directors who are nominated or co-opted to the Board come from a range of backgrounds. As part of their induction and training, new Directors receive the following documents in relation to the charity, its work and their responsibilities as a director - Charity Governance Code, Charity Scheme, Articles of Association, history of the charity and its governance and objectives, latest set of audited accounts and budget for the current financial year, minutes of previous Board Meetings, Scheme of Delegation, Standing Financial Instructions and Risk Management Register, management structure and details of other Directors, information about the charity's commercial and agricultural portfolio and the Charity Commission publication 'The Essential Trustee – What you need to know, what you need to do'. New Directors also meet with the Chair, Chief Executive and Finance Director to discuss the charity's strategy, objectives and current issues and are shown around the almshouse estate. All Directors are kept up to date on relevant matters affecting the charity, receive a copy of the quarterly Almshouses Gazette and are circulated with relevant information from the Charity Commission website and other appropriate publications.

Specific training and development needs are addressed in consultation with Directors and 1 meeting

per year may be devoted to Director training and development. All new Directors are required to complete a skills audit and the experience, knowledge, expertise and skills of Directors are periodically reviewed. Information from the skills audit can identify any potential gaps and, where possible, Directors try to influence and encourage appropriate nominations and appointments to the Board in order to complement and enhance the diversity of skills and perspectives.

❖ Organisation

The Directors act as stewards for both present and future beneficiaries and are accountable to the public by reason of the charitable status of the Trust. The Directors are responsible for establishing structures for the proper governance and management of the Trust and the Corporate Trustee and the development of the vision and strategy of the charity in accordance with its objects. The Board meets approximately bi-monthly to discuss operational, financial and development policy, making decisions on key issues.

The Directors receive reports from the Management Team on their respective areas of responsibility in addition to regular reports from the charity's investment managers and other professional advisors.

The overall day to day management of the Trust is delegated to the Management Team. A framework of authorities is in place which outlines the structure of delegation as well as specifying those responsibilities which remain the preserve of the Directors.

❖ Related Parties And Co-operation With Other Organisations

Although not part of a formal network of other charities, the Trust has established working relationships with charities of similar aims. Mr Paul Anderson and Mr Alan Bainbridge are Members of the Stewards Committee of The Freemen of the City of Newcastle upon Tyne.

❖ Pay Policy and performance of Senior Staff

Pay is normally increased annually to reflect a cost-of-living adjustment.

Following the adoption of the Charity Governance Code the Board of the Trustee will oversee an annual appraisal of the Chief Executive. All other staff have an annual appraisal conducted by the Chief Executive.

❖ Risk Management

A Risk Management Register is in place. The Directors have assessed the major strategic and operational risks which the charity faces and are satisfied that control systems have been developed and are in place to mitigate the identified risks. The Risk Management Register is subject to regular review by the Finance and Audit Committee incorporating any new risks which might affect the charity along with evaluating and assessing the impact of controls and actions on existing risks. These are reported to the Directors who continue to review the risk management procedures and the Risk Management Register annually and as required.

❖ Board Effectiveness

The Directors have completed a Board Effectiveness Questionnaire and a Director Skills Audit, and these will be completed every 3 years. A 2-year programme of Director appraisals has been agreed

and these appraisals have commenced.

❖ Directors' terms of office

Under the Articles of Association (Amended July 2021), Directors are appointed for a term of 3 calendar years and can serve no more than 9 years. This is a significant change to the previous Articles of Association (December 2008). At the start of the year there were 4 Directors who had served for more than 9 years. This included 1 Co-opted Director and 3 nominated Directors. A recruitment exercise was held for a Co-opted Director and this position was filled during the year. The 3 remaining Directors who have served for more than 9 years are nominated Directors. These 3 remaining Directors have been appointed to serve for a further term of 1 year and discussions are being held with the nominating bodies to ensure that the skill requirements of the organisation can be met along with the organisation's requirements for Directors' terms of office.

F. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES & PROFESSIONAL ADVISORS

Charity Name: St Mary Magdalene & Holy Jesus Trust
The charity operates within England and Wales and is registered with the Charity Commission with number: 225979
Registered Office: Claremont Road, Newcastle upon Tyne, NE2 4NN

The Trustees, Directors of the Trustee Company, and officers who held office at the date of signing the report are listed below together with their nominating bodies.

Name	Nominated By
Mr P Anderson	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mr A R Bainbridge	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mrs H Birkett	The Stewards Committee of the Freemen of Newcastle upon Tyne (Resigned 6th July 2022)
Mrs Pauline Summerhill	The Stewards Committee of the Freemen of Newcastle upon Tyne (Appointed 30th May 2023)
Sir L R Fenwick CBE	Co-opted (Resigned 30th May 2023)

St Mary Magdalene & Holy Jesus Trust

Mrs Ranjana Bell	Co-opted (Appointed 30th May 2023)
Mr J P Lee OBE (Chair)	Co-opted
Mr L McGray	Co-opted
Mr D W Midgley OBE	Co-opted
Councillor Mrs H Stephenson	Newcastle City Council (Resigned 16th June 2022)
Councillor Mrs L Wright	Newcastle City Council
Councillor W B Taylor	Newcastle City Council
Canon P R Strange	Bishop of Newcastle
Councillor P Frew	Newcastle City Council (Appointed 4th August 2022)

Mr Jon Mitford (Chief Executive Officer) Appointed 21st August 2020

Mr Neal Croudace (Finance Director) Appointed to this role 1st April 2021

The Trust's Professional Advisors:

Property Agents: Hindmarsh & Partners Chartered Surveyors
49 Park View, Whitley Bay, Tyne & Wear, NE26 2TP

Galbraith
59 George Street, Edinburgh, EH2 2JG

Solicitors: Samuel Phillips
18-24 Grey Street, Newcastle upon Tyne NE1 6AD

Womble Bond Dickinson
St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX

Investment Managers: Abrdn Capital Limited
1 George Street, Edinburgh, EH2 2LL

Evelyn Partners Investment Management LLP
45 Gresham Street, London EC2V 7BG

EdenTree Investment Management Limited
Beaufort House, Brunswick Road, Gloucester, GH1 1JZ

CCLA
Senator House, London, EC4V 4ET

Auditors: Haines Watts North East Audit LLP
17 Queens Lane, Newcastle upon Tyne, NE1 1RN

Bankers: Lloyds TSB
102 Grey Street, Newcastle upon Tyne, NE99 1SL

NatWest
16 Northumberland Street, Newcastle upon Tyne, NE1 7EL

Virgin Money
131-135 Northumberland Street, Newcastle upon Tyne, NE1 7AG

G. STATEMENT OF TRUSTEES' RESPONSIBILITY

The Trustees (who are Directors of St Mary Magdalene & Holy Jesus Trustee Limited) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and 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 Statements of Financial Activities of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping proper 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 Report) Regulations 2008 and the Charity's Scheme. 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.

H. AUDITORS

Haines Watts North East Audit LLP were appointed as the Trust's auditors for a three-year term with annual review at the 18th May 2021 Board Meeting of the trustees. Following a tender exercise, a proposal for the appointment of Azets Audit Services will be proposed at the annual AGM.

This Report was approved by the Board of Trustees on. 29 August 2023

Signed.....
On behalf of the trustees

J P Lee - Chair

Independent Auditor's Report to the Trustees of St Mary Magdalene and Holy Jesus Trust

Opinion

We have audited the financial statements ofSt Mary Magdalene and Holy Jesus Trust (the 'charity') for the year ended 31 March 2023 which comprise Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 March 2023, and of its incoming resources and application of 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 the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements 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.

Auditor 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 regulations made under section 154 of that Act.

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

We obtained an understanding of the legal and regulatory framework applicable to both the charity itself and the industry in which it operates. We identified areas of laws and regulations which could reasonably be expected to have a material effect on the financial statements through our sector experience and through discussion with management. The ost significant were identified as the Charities Act 2011 and UK GAAP (FRS 102). We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement captions. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate the risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override of controls including identifying and testing a sample of journal entries;
- obtaining confirmation from banks and investment managers to verify the balances as at 31 March 2023;
- reviewing minutes of meetings of those charged with governance; and

- challenging the assumptions and judgements made by management in their significant accounting estimates, principally the valuation of investment properties.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for.This description forms part of our auditor's report.

Use of our report

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

C. Henderson

Craig Henderson (Senior Statutory Auditor)

For and on behalf of Haines Watts North East Audit LLP

Statutory Auditors

17 Queens Lane

Newcastle upon Tyne

NE1 1RN

Date: 29 August 2023

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2023

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2023 £000's	Total 2022 £000's
Income and endowments from:						
Donations and legacies	1	0.4	0.0	0.0	0.4	0.0
Charitable activities	2	587.7	0.0	0.0	587.7	557.5
Investments	3	1,228.7	0.0	0.0	1,228.7	1,235.1
Total income and endowments		1,816.8	0.0	0.0	1,816.8	1,792.6
Expenditure on:						
Raising funds	4	0.0	0.0	289.9	289.9	278.5
Charitable activities	5	1,018.7	158.4	0.0	1,177.1	1,701.3
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		1,018.7	158.4	289.9	1,467.0	1,979.8
Net income / (expenditure) before investment gains		798.1	(158.4)	(289.9)	349.8	(187.2)
Net losses on investments	13	0.0	0.0	(1,532.7)	(1,532.7)	(848.0)
Net income / (expenditure)		798.1	(158.4)	(1,822.6)	(1,182.9)	(1,035.2)
Transfers						
Gross transfers between funds	18	(798.1)	605.4	192.7	(0.0)	-
		0.0	447.0	(1,629.9)	(1,182.9)	(1,035.2)
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	447.0	(1,629.9)	(1,182.9)	(1,035.2)
Reconciliation of Funds						
Total funds brought forward		500.0	11,087.1	33,645.1	45,232.2	46,267.4
Total funds carried forward	18	500.0	11,534.1	32,015.2	44,049.3	45,232.2

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2022

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2022 £000's	Total 2021 £000's
Income and endowments from:						
Donations and legacies	1	0.0	0.0	0.0	0.0	1.3
Charitable activities	2	557.5	0.0	0.0	557.5	518.3
Investments	3	1,235.1	0.0	0.0	1,235.1	1,067.7
Total income and endowments		1,792.6	0.0	0.0	1,792.6	1,587.3
Expenditure on:						
Raising funds	4	0.0	0.0	278.5	278.5	227.4
Charitable activities	5	984.6	716.7	0.0	1,701.3	1,219.3
Exceptional Item - Accelerated Depreciation		0.0	0.0	0.0	0.0	100.5
Other		0.0	0.0	0.0	0.0	0.0
Total expenditure		984.6	716.7	278.5	1,979.8	1,547.2
Net income / (expenditure) before investment gains		808.0	(716.7)	(278.5)	(187.2)	40.1
Net gains / (losses) on investments	13	0.0	0.0	(848.0)	(848.0)	2,184.4
Net income / (expenditure)		808.0	(716.7)	(1,126.5)	(1,035.2)	2,224.5
Transfers						
Gross transfers between funds	18	(808.0)	(2,841.1)	3,649.1	0.0	0.0
		0.0	(3,557.8)	2,522.6	(1,035.2)	2,224.5
Other recognised gains						
Other gains / (losses)		0.0	0.0	0.0	0.0	0.0
Net movement in funds		0.0	(3,557.8)	2,522.6	(1,035.2)	2,224.5
Reconciliation of Funds						
Total funds brought forward		500.0	14,644.9	31,122.5	46,267.4	44,042.9
Total funds carried forward	18	500.0	11,087.1	33,645.1	45,232.2	46,267.4

St Mary Magdalene & Holy Jesus Trust
Balance Sheet as at 31st March 2023

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2023 £000's	Total 2022 £000's
Fixed Assets:						
Operational Estate	12	0.0	10,411.7	0.0	10,411.7	7,633.9
Investments	13	0.0	0.0	31,662.8	31,662.8	33,295.2
Total Fixed Assets		0.0	10,411.7	31,662.8	42,074.5	40,929.1
Current Assets						
Debtors	14	22.6	0.0	13.5	36.1	69.3
Cash at bank and in hand		561.8	1,628.5	551.2	2,741.5	4,552.3
Total current assets		584.4	1,628.5	564.7	2,777.6	4,621.6
Liabilities						
Creditors						
Amounts falling due within one year	15	(84.4)	(506.1)	(212.3)	(802.8)	(318.5)
Net current assets		500.0	1,122.4	352.4	1,974.8	4,303.1
Total assets less current liabilities		500.0	11,534.1	32,015.2	44,049.3	45,232.2
Long Term Liabilities	16	0.0	0.0	0.0	0.0	0.0
Net Assets		500.0	11,534.1	32,015.2	44,049.3	45,232.2
The funds of the charity						
Permanent Endowment Fund		0.0	0.0	32,015.2	32,015.2	33,645.1
General Reserve		500.0	0.0	0.0	500.0	500.0
Capital Projects Fund		0.0	3,759.2	0.0	3,759.2	3,633.3
Operational Estate Reserve		0.0	7,774.9	0.0	7,774.9	7,453.8
Total Charity Funds	18	500.0	11,534.1	32,015.2	44,049.3	45,232.2

The financial statements were approved by the trustees on 29 August 2023

Signature.....

J P Lee - Chair

St Mary Magdalene & Holy Jesus Trust
Cash Flow Statement for the Year Ending 31st March 2023

	Notes	£000's 2023	£000's 2022
Net cash inflow from operating activities	(a)	1,053.8	167.6
Cash flow from investing activities			
Capital Expenditure on Operational Estate		(2,964.3)	(810.5)
Net investment income received		(615.0)	82.5
Purchase of investments		(3,845.4)	-
Sale of investments		4,560.1	1,879.3
Net cash flow from investing activities		(2,864.6)	1,151.3
Net increase in cash and cash equivalents		(1,810.8)	1,318.9
Cash and cash equivalents at 1 April 2022		4,552.3	3,233.4
Cash and cash equivalents at 31 March 2023	(b)	2,741.5	4,552.3

(a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing) resources before other recognised gains and losses	349.8	(187.2)
Depreciation	186.5	172.8
Decrease / (Increase) in Debtors	33.2	216.0
Increase / (Decrease) in Creditors	484.3	(34.0)
Net cash inflow / (outflow) from operating activities	1,053.8	167.6

(b) Cash and cash equivalents consist of:

Cash at bank and in hand	2,741.5	4,552.3
Cash and cash equivalents at 31 March 2023	2,741.5	4,552.3

Summary of Significant Accounting Policies

(a) General information and basis of preparation

St Mary Magdalene & Holy Jesus Trust is a Trust set up by a Charitable Trust Deed on 19 November 1963 which was last amended on 22 December 2008 in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in the Trustees' Annual Report. The nature of the charity's operations and principal activities are the provision of housing – Almshouses – for older persons who are in need, hardship or distress within Newcastle upon Tyne, payments for the relief in need of the Brethren and Sister of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett, and making grants to and providing or paying for items, services and facilities for individuals and organisation who are in need, hardship or distress.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

(i) Unrestricted Funds (General Reserve)

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

(ii) Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(iii) Restricted Funds

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

(iv) Endowment Funds

Endowment funds represent those assets which must be held permanently by the charity, principally Investments and Investment Properties (including associated revaluation reserves). Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is provable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

When applicable, gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity currently receives no government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

(i) Costs of raising funds includes:
All costs of managing the charity's investments are included in this heading as per paragraph 4.46 of the SORP. These include management fees and the costs of keeping investment properties in good repair.

(ii) Expenditure on charitable activities includes:
All direct and support costs incurred in the running of the charity's almshouses are charged to this heading. Also included are allowances to Brethren and Sisters of the hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett.

Other expenditure represents those items not falling into categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are considered to be wholly attributable to expenditure on charitable activities. Premises overheads and other overheads are all considered to be support costs relating directly to charitable activities.

Fund-raising costs are those incurred in managing the charity's investment portfolio and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Fixed Assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

(i)	Buildings (Operational Estate)	-	50 years
(ii)	Residential Care Home Building	-	25 years
	The Residential Care Home building is now vacant except for those areas used as office space, chapel and welfare and dining facilities. At 31.3.2016 the facility was written down to a value equating to £10 / sq. ft. per annum with an expected useful life of 5 years. At 31.3.21 its book value was therefore zero.		
(iii)	Fixtures and Fittings	-	10 years
(iv)	Software and Motor Vehicles	-	5 years

Fixed assets below a value of £5,000 are not capitalised

(g) Investment Assets

Financial Investments are included in the Financial Statements at Market Value. Realised gains and losses are included in the SOFA and are credited or charged to the reserves against which the assets are held.

Investment Properties of the Trust are held for long term investment. They are accounted for in accordance with SORP (FRS 102) as follows:

(i) They are disclosed at Market Value.
(ii) The valuations are carried out every three to five years subject only to obtaining advice as to the possibility of any material movements between individual valuations.
(iii) Realised and unrealised gains are included in the SOFA and credited or charged to the Permanent Endowment Fund.

(iv) No depreciation is provided in respect of these properties.

The non-agricultural element of the commercial estate was valued by Hindmarsh & Partners as at 31st March 2022 on the basis of Fair Value as detailed by the Royal Institution of Chartered Surveyors in the RICS Red Book. The valuation of the Chippendale Properties assumes vacant possession as the trustees do not envisage selling subject to the existing tenancies. The trustees have reviewed the carrying value of these assets in the light of prevailing economic conditions and consider that there is no impairment to that value.

The Farms and Woodlands etc. were valued by Galbraith as at 17th March 2022 by way of a percentage uplift based on the selling price achieved on the Great Law Farm sale over its previous book carrying value. Any development values relating to options given to housing developers in farm properties are not included within these financial statements, due to the inherent uncertainty of ultimately realising the value on such arrangements.

The trustees do not consider that there have been any significant changes to these valuations in the period since.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Employee Benefits

Pension benefits are provided through the Tyne & Wear Pension Fund, which is a defined benefit scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the Scheme. The benefits are funded over the employee's period of service and contributions are in accordance with the most recent actuarial valuation of the fund.

The actuary to the Scheme has confirmed that it is not possible to separately identify the assets and liabilities relating to each separate body that participates in the Scheme. The accounting is, therefore, based on a defined contribution basis.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted cash flows are considered sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- The charity's Residential Care Home was closed in 2012 and has remained empty since apart from those areas used as administration offices and dining room / kitchen, chapel and welfare facilities. It is appreciated that in the longer term this situation is untenable and that the building has a limited life. To that end it was re-valued at a suitable rental rate with a proposed future life of 5 years from 31st March 2016. At 31st March 2023 its net book value was zero.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Valuation of farms
  The majority of the farms are located on or near to former coal or industrial workings. It has been assumed that no past or present uses of the land would lead to a potential for contamination. Should it be established subsequently that contamination, seepage or pollution exists at any of the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this might reduce the values now reported.

1 Income from donations and legacies

	2023	2022
	£000's	£000's
Donations Received	0.4	-

All donations represent unrestricted funds.

2 Incoming resources from charitable activities

	2023	2022
	£000's	£000's
Sheltered Housing	587.7	557.5

3 Income from investments

	2023	2022
	£000's	£000's
Commercial Estate	490.2	706.8
Managed Financial Investments	711.1	525.6
Interest on Other Cash Balances	27.4	2.7
	1,228.7	1,235.1

All investment income represents unrestricted funds.

4 Raising Funds:

Investment management costs	Unrestricted	Restricted	Endowment	2023	2022
	£000's	£000's	£000's	£000's	£000's
Legal fees	0.0	0.0	5.5	5.5	9.3
Investment manager fees	0.0	0.0	142.3	142.3	152.8
Other	0.0	0.0	142.1	142.1	116.4
	0.0	0.0	289.9	289.9	278.5

£285,700 (2022 - £278,500) of the above costs were attributable to endowment funds. £0 (2022 - £0) of the above costs were attributable to restricted funds.

5 Analysis of expenditure on charitable activities

	Activities under Taken Directly £000's	Support Costs £000's	Total 2023 £000's	Total 2022 £000's
Sheltered Housing	765.9	401.3	1,167.2	1,690.6
Grants to Brethren	9.7	0.0	9.7	10.7
Other Donations	0.2	0.0	0.2	0.0
	775.8	401.3	1,177.1	1,701.3

6 Allocation of Support Costs

	Total 2023 £000's	Total 2022 £000's
All Support costs are attributable to Sheltered Housing		
Provision of Meals	43.3	47.4
Administration Salaries and Expenses	240.4	227.1
Administration Building Costs	63.8	50.4
Chaplaincy Costs	0.0	0.0
Governance	25.4	29.4
Other Support Costs	28.4	26.4
	401.3	380.7

Note: The Trust has registered for VAT and can only partially recover input VAT. The amount irrecoverable is included in the above figures. As a result of registration, VAT amounting to £40,345 (2021: £44,434) has been recovered during the year.

7 Governance Costs

	Total 2023 £000's	Total 2022 £000's
Legal & Professional Fees	10.0	16.7
Auditor's Remuneration	10.1	8.3
Insurance	1.7	1.7
Other	3.6	2.7
	25.4	29.4

8 Net income / (expenditure) for the year

	Total 2023 £000's	Total 2022 £000's
Net income/(expenditure) for the year is stated after (charging) / crediting:		
Depreciation of tangible fixed assets	(186.5)	(172.8)
Profit on sale of investment property	0.0	79.3
Loss on fair value movement of investment property	0.0	(989.9)
Profit / (loss) on fair value movement of investments	(1,532.7)	62.6

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £10,100 (2022 - £8,250)

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022: £Nil).

The Total amount of employee benefits received by key management personnel was £121,149, (2022 : £120,055). The trust considers its key management personnel to comprise non trustees who directly contribute to the Trust's board meetings.

0 (2022 : 0) trustees are accruing pension arrangements.

The trustees did not have any expenses reimbursed during the year (2022: £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:-

Average Number of Employees	2023 Average	2023 FTE	2022 Average	2022 FTE
Raising funds	0	0	0	0
Charitable activities	7	7	7	7
Governance	0	0	0	0
	7	7	7	7

The total staff costs and employee benefit's was as follows:	2023 £000's	2022 £000's
Gross Wages	221.9	199.8
NI Contributions	23.2	20.2
Pension Contributions	33.8	30.8
	278.9	250.8
Agency Staff	29.3	46.7
	308.2	297.5

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

12 Operational Estate

	Operational Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Total
	£000's		£000's	£000's
Cost at 31st March 2022	15,155.4	180.1	299.6	15,635.1
Additions	0.0	2,964.3	0.0	2,964.3
Transfers	507.6	(507.6)	0.0	0.0
Disposals	(274.1)	0.0	(12.6)	(286.7)
Cost at 31st March 2023	15,388.9	2,636.8	287.0	18,312.7
Depreciation at 31st March 2022	7,705.3	0.0	295.9	8,001.2
Charge for year	183.1	0.0	3.4	186.5
Disposals	(274.1)	0.0	(12.6)	(286.7)
Depreciation at 31st March 2023	7,614.3	0.0	286.7	7,901.0
Net Book Value at 31st March 2023	7,774.6	2,636.8	0.3	10,411.7
Net Book Value at 31st March 2022	7,450.1	180.1	3.7	7,633.9

13 Investment Assets

	[Unrestricted] General Reserve £000's	[Permanent Endowment] Financial Investments [1] £000's	[Permanent Endowment] Commercial Estate [2] £000's	[Permanent Endowment] Total £000's	Total Investments 2023 £000's	Total Investments 2022 £000's
Carrying value at beginning of year	0.0	25,711.7	7,583.5	33,295.2	36,105.0	36,105.0
Add: Additions to investments at cost	0.0	3,845.4	0.0	3,845.4	3,845.4	0.0
Less: Disposal proceeds	0.0	(3,846.0)	0.0	(3,846.0)	(3,846.0)	(1,879.3)
Gains / (Losses) on Disposals	0.0	0.0	0.0	0.0	0.0	79.3
Withdrawals		(714.1)	0.0	(714.1)	(714.1)	0.0
Revaluation	0.0	(1,532.7)	0.0	(1,532.7)	(1,532.7)	(927.3)
Investment Income Realised	0.0	711.1	0.0	711.1	711.1	43.8
Management Fees Paid	0.0	(96.1)	0.0	(96.1)	(96.1)	(126.3)
Carrying value at end of year	0.0	24,079.3	7,583.5	31,662.8	34,472.6	33,295.2
Investment Assets comprise:						
Investment properties	0.0	0.0	7,583.5	7,583.5	7,583.5	7,583.5
Listed Investments	0.0	23,786.8	0.0	23,786.8	23,786.8	25,125.9
	0.0	23,786.8	7,583.5	31,370.3	31,370.3	32,709.4
Cash balances held in Investment Portfolio	0.0	292.5		292.5	292.5	585.8
	0.0	24,079.3	7,583.5	31,662.8	31,662.8	33,295.2
Investment Income 2023	0.0	711.1	490.2	1,201.3	1,201.3	[Note 3]
Investment Income 2022	0.0	525.6	706.8	1,232.4	1,232.4	

[1]Financial Investments

The fair value of listed investments carried in the Permanent Endowment is determined by reference to the quoted price at the balance sheet date.

[2]Commercial Estate

In accordance with accounting policy, the Trust's holdings of investment land, buildings and farms were revalued by its commercial and agricultural property agents on 31st March 2022. The Trustees have reviewed the portfolio at 31st March 2023 and consider that there have been no material changes to the valuation since 31 March 2022.

	2023	2022
	£000's	£000's
14 Debtors		
Rents Receivable	14.4	31.0
Prepayments and Accrued Income	21.7	38.3
	36.1	69.3

	2023	2022
	£000's	£000's
15 Creditors		
Trade Creditors	47.6	46.9
Accruals and Deferred Income	755.3	271.6
	802.9	318.5

	2023	2022
	£000's	£000's
16 Long Term Liabilities		
Tyne and Wear Pension Fund shortfall payments	-	-

	2023	2022
17 Deferred income	£000's	£000's
At 31 March 2022	87.7	154.4
Additions during the year	450.7	524.4
Amounts released to income	(479.0)	(591.1)
At 31 March 2023	59.4	87.7

Deferred income relates to commercial property rents paid in advance.

18 Movement on Funds

		Desginated	Restricted			
	General Reserve £000's	Capital Projects Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Permanent Endowment General Fund £000's	Total Funds £000's
Balance at 31st March 2022	500.0	3,633.3	7,453.8	11,087.1	33,645.1	45,232.2
Net Incoming/(Outgoing) Resources	798.1	(158.4)	0.0	(158.4)	(289.9)	349.8
Transfers:						
Amortisation of Operational Estate Res.	0.0	186.5	(186.5)	0.0	0.0	0.0
Other Transfers	(798.1)	97.8	507.6	605.4	192.7	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	(1,532.7)	(1,532.7)
Balance at 31st March 2023	500.0	3,759.2	7,774.9	11,534.1	32,015.2	44,049.3

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £186,500 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. Other transfers relate to the reduction of the general reserve to £500,000 as per the current policy, and the allocation of amounts relating to the permanent endowment.

18 Movement on Funds

	General Reserve £000's	Capital Projects Fund £000's	Northumberland Street Sinking Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Endowment: Permanent Endowment General Fund £000's	Endowment: Total Endowment Funds £000's	Total Funds £000's
Balance at 31st March 2021	500.0	2,185.2	5,528.4	6,931.3	14,644.9	31,122.5	31,122.5	46,267.4
Net Incoming/(Outgoing) Resources	808.0	(716.7)	0.0	0.0	(716.7)	(278.5)	(278.5)	(187.2)
Transfers:	(808.0)	1,992.0	0.0	695.3	2,687.3	(1,879.3)	(1,879.3)	0.0
Amortisation of Operational Estate Res.	0.0	172.8	0.0	(172.8)	0.0	0.0	0.0	0.0
Reduction of General Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gains/(Losses) on Investments	0.0	0.0	0.0	0.0	0.0	(848.0)	(848.0)	(848.0)
Balance at 31st March 2022	500.0	3,633.3	0.0	7,453.8	11,087.1	33,645.1	33,645.1	45,232.2

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £172,800 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. The net proceeds of Permanent Endowment property sales was transferred to the Capital Projects fund with Charity Commission approval.
3 The Trust successfully sought permission for the Northumberland Street Sinking fund order to be considered discharged and the value of the fund was transferred to the Permanent Endowment.

18 Movement on Funds (continued)

Fund descriptions

Unrestricted Funds

General Reserve

All income is credited to the General Reserve and all costs of charitable activites charged to it, except for those which are deemed to be items covered by the Capital Expenditure Fund. The policy level for the Reserve was been reduced to £500,000 during the year ended 31st March 2021. Any surplus over this amount is transferred to the Capital Projects Fund.

Designated Funds

(a) Operational Estate Reserve

This reserve was created in order to bring the capitalised Operational Estate of the Trust (The Residential Care Home, Sheltered Housing and associated fixtures and fittings) into the Financial Statements at cost less accumulated depreciation in accordance with SORP 2005. Under SORP 2000 these assets were not valued as they were considered "inalienable". The scope was widened in the Financial Year ended 31st March 2010 and the balance increased to reflect the book value of all operational assets. This reserve is amortised back to the Capital Expenditure Reserve in line with the depreciation charge.

(b) Capital Projects Fund

This fund was created during the Financial Year Ended 31st March 2010 to provide for the future Capital Expenditure requirements of the Trust.

Endowment funds

(a) Permanent Endowment Fund

The Permanent Endowment Fund is a form of restricted fund and represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. All costs relating to Permanent Endowment Assets are charged to this Fund.

19 Analysis of net assets between funds

As at 31 March 2023

	Unrestricted	Designated	Restricted	Endowment	Total
	£000	£000	£000	£000	£000
Fixed assets	0.0	10,411.7	0.0	31,662.8	42,074.5
Cash and current asset investments	561.8	1,628.5	0.0	551.2	2,741.5
Other current assets/liabilites	(61.8)	(506.1)	0.0	(198.8)	(766.7)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	11,534.1	0.0	32,015.2	44,049.3

As at 31 March 2022

	Unrestricted	Designated	Restricted	Endowment	Total
	£000	£000	£000	£000	£000
Fixed assets	0.0	7,633.9	0.0	33,295.2	40,929.1
Cash and current asset investments	572.7	3,476.9	0.0	502.7	4,552.3
Other current assets/liabilites	(72.7)	(23.7)	0.0	(152.8)	(249.2)
Creditors due in more than one year	0.0	0.0	0.0	0.0	0.0
	500.0	11,087.1	0.0	33,645.1	45,232.2

20 Pension Commitments

The Trust participates in the Tyne and Wear Pension Fund for its employees.

Under the definitions set out under Financial Reporting Standard 17 (Retirement Benefits), the Tyne and Wear Pension Fund is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in Section 28 of FRS102, the Financial Reporting Standard applicable in the UK and Ireland.

Pension contributions payable for the year ended 31st March 2023 amounted to £33,777 (2022: £30,768) and there were 2 employees (2022: 2) participating in the scheme during the year.

Under the 2019 scheme valuation, no additional deficit contributions are payable (2022: £Nil)

21 Capital Commitments

In 2021 the Trust entered into a contract with Meldrum Construction Services Ltd for the refurbishment of vacant Mary Magdalene Bungalows. The refurbishment has largely been completed during the year, with only small amounts remaining outstanding on the contract value.

22 Related party transactions:

A number of trustees have relatives or members of their Freemen Companies receiving sheltered housing provided by the charity. All of these beneficiaries qualify for housing under the charity eligibility criteria. All transactions with these related parties were at arms length.

23 Control

The charity is controlled by the Board of Trustees.

ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales - Charity number 225979

Accounts

St Mary Magdalene & Holy Jesus Trust

Registered Charity No 225979

Report And Financial Statements

For the Year Ended 31st March 2022



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***Chair*: Mr J P Lee**

St Mary Magdalene & Holy Jesus Trust

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St Mary Magdalene & Holy Jesus Trust

Trustees Annual Report for the year ended 31st March 2022

A. OBJECTIVES AND ACTIVITIES

The St Mary Magdalene & Holy Jesus Trust is an almshouse charity located in Spital Tongues, Newcastle upon Tyne whose main objective is to assist older people who are in need, hardship or distress by providing housing. In fulfilling this objective, the charity also aims to assist its beneficiaries to live independently.

The St Mary Magdalene & Holy Jesus Trust has a long history stretching back several hundred years. It was an amalgamation of two Almhouses, The Hospital of St. Mary Magdalene, which was founded in the 12th century and the Hospital of the Holy Jesus, which was founded in the 17th century along with three other charities. These Almshouses and charities were brought together in the Hospital of St. Mary Magdalene and other Charities (Newcastle upon Tyne), Charity Scheme Confirmation Act, 1959.

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the corporate trustee being The St Mary Magdalene & Holy Jesus Trustee Limited (The Trustee).

The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (Amended February 2022) and Articles of Association (Amended July 2021).

At the end of the reporting period, the charity had 128 almshouses:

- St. Mary Magdalene: 79 bungalows
- Holy Jesus: 49 bungalows

In addition, the charity has 16 flats at Magdalene Court, which are currently vacant (See Section D), a former care home, which is no longer used for residential accommodation (See Section D) and 4 flats referred to as the "Chippendale Properties" which are all occupied.

In accordance with the Trust's Scheme, when making appointments, The Trustee must give preference to certain classes of persons who are required to meet specific eligibility criteria. Freemen of the City of Newcastle upon Tyne are given preference for certain specified almshouses. In 2009, the Economic Development and Construction Act gave the daughters of Freemen the same prescriptive rights as the sons of Freemen. At the time of reporting, there were 14 bungalows occupied by Freemen of the City of Newcastle upon Tyne.

Regarding other homes, preference is given to other qualifying applicants who do not have a connection to the Freemen of the City of Newcastle upon Tyne. Details of the class of person to whom preference must be given does vary across the Trust's properties. Detailed information is provided in the 2008 Scheme (Amended February 2022).

The Trust also makes quarterly grants to the beneficiaries of 3 "hospitals" that were originally part of the same range of buildings as the old Hospital of Holy Jesus. These beneficiaries are non-resident

and all must be in need, hardship or distress. There are no age or residence qualifications.

- Ann Davison Hospital
  Comprises 6 beneficiaries of whom three must be poor widows of Clergymen and the poor widows of Freemen with preference being given to the widows of merchants.

- Thomas Davison Hospital
  Comprises 6 beneficiaries who must be the poor widows or unmarried daughters of Freemen.

- Sir Walter Blackett Hospital
  Comprises 6 beneficiaries who must be poor unmarried Freemen.

In addition, a quarterly allowance is paid to the Freemen residents who live on the site.

Currently, The Trustee provides the following additional benefits for residents of the

Almshouses:

- An on-site Handyman Service.
- A free emergency call alarm system that can be accessed 24/7 which includes smoke alarm and C02 alarm monitoring and, for those residents who are assessed as having specific needs, the provision of a free daily morning call and/or additional telecare services.
- A subsidised dining facility.
- Security service which includes an on-site security guard.
- Communal grounds.
- Free social activities and events.
- A site chapel.

The Trust also has the power to make grants to provide or pay for items, services and facilities for individuals, organisations and institutions that are in accordance with the objects of the St Mary Magdalene and Holy Jesus Trust. During the year ended 31st March 2022, the Trustee made a grant of around £10,000 to Caring Hands. Caring Hands are a charity that provide a range of services to vulnerable people in Newcastle upon Tyne. It should be noted that the funds did not come from the Trust directly but were provided from the estate of a deceased resident in accordance with their will.

The Trustee has given due consideration to the Charity Commission's guidance in relation to public benefit. The charitable purposes undertaken by the Trust which meet the requirements under the Charities Act 2011 are: (a) the prevention or relief of poverty and (b) the relief of those in need because of age, ill-health, disability, financial hardship or other disadvantage.

B. ACHIEVEMENTS & PERFORMANCE

- In the previous year the organisation reviewed its priorities and activities, and produced a Business Plan, which includes proposals for the redevelopment of the Magdalene Court site, the site of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows. The Magdalene Court scheme was granted planning permission in March 2022 and is due to commence in June 2022. The Trustee agreed an outline scheme to provide a 17-unit extra care scheme on the site of the former residential care home and feasibility studies are

ongoing with a start date targeted for April 2025. Refurbishment works to the Mary Magdalene Bungalows have continued throughout the year and a comprehensive refurbishment of the estates footpaths and associated infrastructure has also been completed.

- Following the drafting of the Business Plan, the organisation produced a new Investment Policy. This Investment Policy sets out what the Trust's investments should achieve and is fully aligned with the Business Plan.
- We continue to receive a high level of interest from potential applicants who wish to live in our almshouse accommodation. An annual review of maintenance contributions was undertaken to make them more commensurate with the standard of property provided with a strong focus on ensuring that contributions were affordable given the increases in living costs.
- A constitutional review was completed and revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited were approved in July 2021. Amendments were also made to the 2008 Scheme and these amendments were approved by the Charity Commission and a revised Scheme granted in February 2022. These amendments were to the class of person to whom preference must be given for the Magdalene Court properties and the properties at Belle Grove West and Hunters Road (Chippendale Properties). The amendments were made to reflect housing need and to ensure that the properties were suitable for their intended residents.

C. FINANCIAL REVIEW

The financial statements for the year ending 31st March 2022 show:

- Net Loss (exclusive of investment gains / losses) of £187,200 (2021: £40,100 net income)
- Net Investment Loss of £848,000 (2021: £2184400 gain).
- Cash Flow £1,318,900 positive (2021: £1,263,600 negative).
- Total Funds £45,232,200 (2021: £46,267,400).

❖ Sources Of Funding and Use Of Funds

The Trust has two principal funding sources; Maintenance Contributions (charitable property rents) and investment income, the latter being derived from financial and property portfolios.

The Trust's policy is to set Maintenance Contributions at a level covering everyday charitable property costs and contributing to long term repairs.

Investment Income from the Permanent Endowment is used to fund the loss on charitable operations, with the excess transferred to the Capital Expenditure Fund to finance the business plan.

During the year one of the Trust's farms was sold and the proceeds added to the Capital Expenditure Fund with Charity Commission approval.

❖ Significant Events Impacting This Year's Results

- Resident numbers increased as upgraded bungalows were released from the refurbishment program. This resulted in 91% of theoretical maintenance contributions being received in the

year totaling £542,800 as opposed to 87% (£509,235) in the previous year.

- The Charity Commission discharged the order on the Northumberland Street Sinking Fund. The whole capital value was transferred to the Permanent Endowment and reinvested making additional investment income available to the Trust.

- Investment Income was 16% more than the prior year, with property income benefitting from the cessation of Covid relief and financial investment income increasing due to both the restructuring of the portfolio and the additional income derived from reinvesting the former Northumberland Street Sinking Fund.

❖ Review of Reserves

At 31st March 2022, the balances on the Trust's various funds and the assets supporting them were as follows:

£000s	Permanent Endowment	General Reserve	Operational Estate Reserve	Capital Project Fund	Total
ABDN Asset Portfolio	17,196.5	0.0	0.0	0.0	17,196.5
Evelyn Partners Portfolio	2,720.0	0.0	0.0	0.0	2,720.0
EdenTree Portfolio	979.7	0.0	0.0	0.0	979.7
CCLA Portfolio	4,815.4	0.0	0.0	0.0	4,815.4
Investment Property	7,538.5	0.0	0.0	0.0	7,538.5
Cash & Deposits	502.7	572.7	0.0	3,476.9	4,552.3
Operational Property	0.0	0.0	7453.8	180.1	7633.9
Net Current Assets	-107.7	-72.7	0.0	-23.7	-204.1
Total	3,3645.1	500.0	7,453.8	3,633.3	45,232.2

- Permanent Endowment
  Due to the Trust's current policy regarding the setting of Maintenance Contributions, the investment income from this fund provides the funds to cover subsidies, major revenue expenditure and to fund future capital expenditure. All income is credited to the General Reserve and capital gains / losses remain in the Permanent Endowment.

- General Reserve
  The General Reserve Policy level is to hold £500,000 of net assets which currently equates to 2 years net cost of operations excluding depreciation (2021 2.5 years).

- Operational Estate Reserve
  This reserve represents the capitalised operational assets of the Trust and an amount equivalent to the depreciation charge is transferred from it to the Capital Projects Fund each year.

- The Capital Projects Fund
  This fund provides for the replacement of housing stock and other major items of capital and revenue expenditure. It is maintained primarily by the remaining investment income after

charitable subsidies and transfers to other reserves.

- The Northumberland Street Sinking Fund was set up under an order of the Charity Commissioners sealed on 7 July 1980. The purpose of this fund was to recoup out of investment income the sum of £6,300,000 which is the difference between the sales proceeds of Northumberland Street properties and their estimated value with vacant possession.

  The Charity Commission discharged the order on November 15th 2021 resulting in the closure of the fund and its transfer to the Permanent Endowment.

❖ Investment Policy

The Trust's Investment Policy was revised in the year. Given the strong capital position, the risk levels in the financial portfolio were increased to provide for greater income flows during the period of the business plan.

Ethical Criteria:
The Trustee are mindful of the charity's purposes, with a focus on the position of beneficiaries and what causes them hardship. Taking into account poverty and negative wellbeing impacts linked to poverty, the Trustee excludes direct investment in companies whose primary business is predatory lending, gambling, tobacco production and alcohol production.

Environmental, social and governance (ESG) factors and active stewardship:
ESG is an important aspect to our investments. We wish to work with an investment manager who integrates ESG research into their investment process. Our investment manager should be a signatory to the UN Principles for Responsible Investment, as a sign of best practice in this area. We wish to have a continuing dialogue with our investment manager about their own Sustainability practices, goals and performance.

Targeted returns are as follows:

Commercial Property	6% net yield
Agricultural Property	50% capital growth over 10 years
Financial Portfolio	Outperform ARC by 1%-2% over average.

❖ Risks And Uncertainties / Factors Affecting Future Performance

The following key risks and uncertainties which may impact future performance have been identified:

- Despite reviewing its investment policy, the Trust will continue to be exposed to a degree of risk due to the uncertain economic climate regarding the United Kingdom leaving the European Union, the ongoing impact of the pandemic on supply chains and material costs, and the situation in the Ukraine.

- With the adoption of the new revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited several long serving Directors will retire. There is a transition plan in place but recruiting Directors, with the required levels of expertise and knowledge as replacements, could be challenging for the organisation as it is for small charities in general.

D. PLANS FOR FUTURE PERIODS

- There is a detailed Business Plan in place covering the organisation's future-plans. This includes proposals for the redevelopment of the Magdalene Court site, the site of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows.

- The organisation is undertaking several activities including the drafting of a Value Statement to enable a longer-term business plan to be put in place.

- The charity remains committed to providing a community environment which encourages social wellbeing through the provision of a range of facilities, activities, and events. Following the lifting of the COVID restrictions, events are being planned in consultation with residents.

- The newly established Licensee (Residents) Committee is helping to involve residents in the running of the organization and resident involvement is an area that the organisation plans to develop further.

E. STRUCTURE, GOVERNANCE AND MANAGEMENT

❖ Governing Document

The St Mary Magdalene & Holy Jesus Trust is an unincorporated charity with a corporate trustee, the Corporate Trustee being The St Mary Magdalene & Holy Jesus Trustee Limited. The organisations' governing documents have changed over the years with the current governing documents being the 2008 Scheme (Amended February 2022) and Articles of Association (Amended July 2021).

❖ Charity Governance Code

The Trust adopted the Charity Governance code at a meeting of the Board of the Trustee in February 2022. An assessment has been made using the Charity Governance Code template – larger charities 2020 edition to identify areas where improvement is needed. The organisation is actively working through these areas.

❖ Nomination of Directors

The following bodies are entitled to nominate Directors to the Corporate Trustee:
The Stewards Committee of the Freemen of the City of Newcastle upon Tyne (3 directors), Newcastle City Council (3 directors) and the Bishop of Newcastle (1 director). In addition, up to 3 directors (Co-opted Directors) and a Chair can be appointed in accordance with the Articles of Association (Amended July 2021).

All Directors initially hold office for a period of 3 years.

❖ Director Induction & Training

Directors who are nominated or co-opted to the Board come from a range of backgrounds. As

part of their induction and training, new Directors receive the following documents in relation to the charity, its work and their responsibilities as a director - Charity Governance Code, Charity Scheme, Articles of Association, history of the charity and its governance and objectives, latest set of audited accounts and budget for the current financial year, minutes of previous Board Meetings, Scheme of Delegation, Standing Financial Instructions and Risk Management Register, management structure and details of other Directors, information about the charity's commercial and agricultural portfolio and the Charity Commission publication 'The Essential Trustee – What you need to know, what you need to do'. New Directors also meet with the Chair, Chief Executive and Finance Director to discuss the charity's strategy, objectives and current issues and are shown around the almshouse estate. All Directors are kept up to date on relevant matters affecting the charity, receive a copy of the quarterly Almshouses Gazette and are circulated with relevant information from the Charity Commission website and other appropriate publications.

Specific training and development needs are addressed in consultation with Directors and 1 meeting per year may be devoted to Director training and development. All new Directors are required to complete a skills audit and the experience, knowledge, expertise and skills of Directors are periodically reviewed. Information from the skills audit can identify any potential gaps and, where possible, Directors try to influence and encourage appropriate nominations and appointments to the Board in order to complement and enhance the diversity of skills and perspectives.

❖ Organisation

The Directors act as stewards for both present and future beneficiaries and are accountable to the public by reason of the charitable status of the Trust. The Directors are responsible for establishing structures for the proper governance and management of the Trust and the Corporate Trustee and the development of the vision and strategy of the charity in accordance with its objects. The Board meets approximately bi-monthly to discuss operational, financial and development policy, making decisions on key issues.

The Directors receive reports from the Management Team on their respective areas of responsibility in addition to regular reports from the charity's investment managers and other professional advisors.

The overall day to day management of the Trust is delegated to the Management Team. A framework of authorities is in place which outlines the structure of delegation as well as specifying those responsibilities which remain the preserve of the Directors.

❖ Related Parties And Co-operation With Other Organisations

Although not part of a formal network of other charities, the Trust has established working relationships with charities of similar aims. Mr Paul Anderson andvMr Alan Bainbridge are Members of the Stewards Committee of The Freemen of the City of Newcastle upon Tyne.

❖ Pay Policy and performance of Senior Staff

Pay is normally increased annually to reflect a cost-of-living adjustment.

Following the adoption of the Charity Governance Code the Board of the Trustee will oversee an annual appraisal of the Chief Executive. All other staff have an annual appraisal conducted by the Chief Executive.

❖ Risk Management

A Risk Management Register is in place. The Directors have assessed the major strategic and operational risks which the charity faces and are satisfied that control systems have been developed and are in place to mitigate the identified risks. The Risk Management Register is subject to regular review by the Finance and Audit Committee incorporating any new risks which might affect the charity along with evaluating and assessing the impact of controls and actions on existing risks. These are reported to the Directors who continue to review the risk management procedures and the Risk Management Register annually and as required.

❖ Board Effectiveness

The Directors have completed a Board Effectiveness Questionnaire and a Director Skills Audit, and these will be completed annually. A 2-year programme of Director appraisals has been agreed and these appraisals have commenced.

❖ Directors' terms of office

Under the Articles of Association (Amended July 2021), Directors are appointed for a term of 3 calendar years and can serve no more than 9 years. This is a significant change to the previous Articles of Association (December 2008).

There are 4 Directors that have served for more than 9 years. The Articles of Association (Amended July 2021) includes transitional provisions to enable the organisation to operate in accordance with the Articles but also to continue to perform effectively.

The organisation is working to these transitional provisions and those Directors that have served for more than 9 years have been appointed for a further term of 1 year. This decision was informed by a Skills Audit. During this 1 year period the Board plans to undertake a recruitment exercise for 1 Co-opted Director and to discuss the organisation's requirements with the relevant nominating bodies to ensure that the skill requirements for the organisation can be met along with the organisation's requirements for Directors terms of office.

F. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES & PROFESSIONAL ADVISORS

Charity Name: St Mary Magdalene & Holy Jesus Trust
The charity operates within England and Wales and is registered with the Charity Commission with number: 225979
Registered Office: Claremont Road, Newcastle upon Tyne, NE2 4NN

The Trustees, Directors of the Trustee Company, and officers who held office at the date of signing the report are listed below together with their nominating bodies.

St Mary Magdalene & Holy Jesus Trust

Name	Nominated By
Mr P Anderson	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mr A R Bainbridge	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mrs H Birkett	The Stewards Committee of the Freemen of Newcastle upon Tyne (Resigned 6th July 2022)
Sir L R Fenwick CBE	Co-opted
Mr J P Lee OBE (Chair)	Co-opted
Mr L McGray	Co-opted
Mr D W Midgley OBE	Co-opted (Appointed 14th September 2021)
Councillor Mrs H Stephenson	Newcastle City Council (Resigned 16th June 2022)
Councillor Mrs L Wright	Newcastle City Council
Councillor A S Avei	Newcastle City Council (Appointed 27th July 2021 and resigned 22nd February 2022)
Councillor W B Taylor	Newcastle City Council (Appointed 22nd February 2022)
Canon P R Strange	Bishop of Newcastle
Councillor P Frew	Newcastle City Council (Appointed 4th August 2022)

Mr Jon Mitford (Chief Executive Officer)	Appointed 21st August 2020
Mr Neal Croudace (Finance Director)	Appointed to this role 1st April 2021

The Trust's Professional Advisors:

Property Agents:	Hindmarsh & Partners Chartered Surveyors 49 Park View, Whitley Bay, Tyne & Wear, NE26 2TP
	Galbraith 59 George Street, Edinburgh, EH2 2JG
Solicitors:	Samuel Phillips 18-24 Grey Street, Newcastle upon Tyne NE1 6AD
	Womble Bond Dickinson The Spark, Draymans Way, Newcastle Helix, Newcastle upon Tyne, NE4 5DE
Investment Managers:	Abrdn Capital Limited 1 George Street, Edinburgh, EH2 2LL
	Evelyn Partners Investment Management LLP 45 Gresham Street, London EC2V 7BG
	EdenTree Investment Management Limited Beaufort House, Brunswick Road, Gloucester, GH1 1JZ
	CCLA Senator House, London, EC4V 4ET
Auditors:	Haines Watts 17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers:	Lloyds TSB 102 Grey Street, Newcastle upon Tyne, NE99 1SL
	NatWest 16 Northumberland Street, Newcastle upon Tyne, NE1 7EL
	Virgin Money 131-135 Northumberland Street, Newcastle upon Tyne, NE1 7AG

G. STATEMENT OF TRUSTEES' RESPONSIBILITY

The Trustees (who are Directors of St Mary Magdalene & Holy Jesus Trustee Limited) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and 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 Statements of Financial Activities of the charity for that period. In

preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping proper 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 Report) Regulations 2008 and the Charity's Scheme. 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.

H. AUDITORS

Haines Watts were appointed as the Trust's auditors for a three-year term with annual review at the 18th May 2021 Board Meeting of the trustees.

This Report was approved by the Board of Trustees on .....7/12/2022.....

Signed.....
On behalf of the trustees

J P Lee - Chair

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Opinion

We have audited the financial statements of St Mary Magdalene and Holy Jesus Trust (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 March 2022, and of its incoming resources and application of 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 the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements 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.

Auditor 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 regulations made under section 154 of that Act.

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.

We obtained an understanding of the legal and regulatory framework applicable to both the charity itself and the industry in which it operates. We identified areas of laws and regulations which could reasonably be expected to have a material effect on the financial statements through our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011 and UK GAAP (FRS 102). We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement captions. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate the risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override of controls including identifying and testing a sample of journal entries;
- obtaining confirmation from the banks and investment managers to verify the balance as at 31 March 2022;
- reviewing minutes of meetings of those charged with governance; and

- challenging the assumptions and judgements made by management in their significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for.This description forms part of our auditor's report.

Use of our report

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



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)

For and on Behalf of Haines Watts North East Audit LLP

Statutory Auditors

17 Queens Lane

Newcastle Upon Tyne

NE1 1RN

Date: 7 December 2022

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St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2022

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2022 £000's	Total 2021 £000's
Income and endowments from:						
Donations and legacies	1	-	-	-	-	1.3
Charitable activities	2	557.5	-	-	557.5	518.3
Investments	3	1,235.1	-	-	1,235.1	1,067.7
Total income and endowments		1,792.6	-	-	1,792.6	1,587.3
Expenditure on:						
Raising funds	4	-	-	278.5	278.5	227.4
Charitable activities	5	984.6	716.7	-	1,701.3	1,219.3
Exceptional Item - Accelerated Depreciation		-	-	-	-	100.5
Other		-	-	-	-	-
Total expenditure		984.6	716.7	278.5	1,979.8	1,547.2
Net income / (expenditure) before investment gains		808.0	(716.7)	(278.5)	(187.2)	40.1
Net gains / (losses) on investments	13	-	-	(848.0)	(848.0)	2,184.4
Net income / (expenditure)		808.0	(716.7)	(1,126.5)	(1,035.2)	2,224.5
Transfers						
Gross transfers between funds	18	(808.0)	(2,841.1)	3,649.1	-	-
		-	(3,557.8)	2,522.6	(1,035.2)	2,224.5
Other recognised gains						
Other gains / (losses)		-	-	-	-	-
Net movement in funds		-	(3,557.8)	2,522.6	(1,035.2)	2,224.5
Reconciliation of Funds						
Total funds brought forward		500.0	14,644.9	31,122.5	46,267.4	44,042.9
Total funds carried forward	18	500.0	11,087.1	33,645.1	45,232.2	46,267.4

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2021

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2021 £000's	Total 2020 £000's
Income and endowments from:						
Donations and legacies	1	1.3	-	-	1.3	-
Charitable activities	2	518.3	-	-	518.3	541.0
Investments	3	1,067.7	-	-	1,067.7	1,325.9
Total income and endowments		1,587.3	-	-	1,587.3	1,866.9
Expenditure on:						
Raising funds	4	-	-	227.4	227.4	281.8
Charitable activities	{5}	921.9	297.4	-	1,219.3	1,002.0
Exceptional Item - Accelerated Depreciation			100.5		100.5	-
Other		-	-	-	-	-
Total expenditure		921.9	397.9	227.4	1,547.2	1,283.8
Net income / (expenditure) before investment gains		665.4	(397.9)	(227.4)	40.1	583.1
Net gains / (losses) on investments	13	-	89.9	2,094.5	2,184.4	(303.2)
Net income / (expenditure)		665.4	(308.0)	1,867.1	2,224.5	279.9
Transfers						
Gross transfers between funds	18	(1,165.4)	1,165.4	-		-
		(500.0)	857.4	1,867.1	2,224.5	279.9
Other recognised gains						
Other gains / (losses)		-	-	-	-	-
Net movement in funds		(500.0)	857.4	1,867.1	2,224.5	279.9
Reconciliation of Funds						
Total funds brought forward		1,000.0	13,787.5	29,255.4	44,042.9	43,763.0
Total funds carried forward	18	500.0	14,644.9	31,122.5	46,267.4	44,042.9

St Mary Magdalene & Holy Jesus Trust
Balance Sheet as at 31st March 2022

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2022 £000's	Total 2021 £000's
Fixed Assets:						
Operational Estate	12	-	7,633.9	-	7,633.9	6,996.2
Investments	13	-	-	33,295.2	33,295.2	36,105.0
Total Fixed Assets		-	7,633.9	33,295.2	40,929.1	43,101.2
Current Assets						
Debtors	14	33.0	-	36.3	69.3	285.3
Cash at bank and in hand		572.7	3,476.9	502.7	4,552.3	3,233.4
Total current assets		605.7	3,476.9	539.0	4,621.6	3,518.7
Liabilities						
Creditors						
Amounts falling due within one year	15	(105.7)	(23.7)	(189.1)	(318.5)	(352.5)
Net current assets		500.0	3,453.2	349.9	4,303.1	3,166.2
Total assets less current liabilities		500.0	11,087.1	33,645.1	45,232.2	46,267.4
Long Term Liabilities	16	-	-	-	-	-
Net Assets		500.0	11,087.1	33,645.1	45,232.2	46,267.4
The funds of the charity						
Permanent Endowment Fund				33,645.1	33,645.1	31,122.5
General Reserve		500.0			500.0	500.0
Capital Projects Fund			3,633.3		3,633.3	2,185.2
Northumberland Street Sinking Fund			-		-	5,528.4
Operational Estate Reserve			7,453.8		7,453.8	6,931.3
Total Charity Funds	18	500.0	11,087.1	33,645.1	45,232.2	46,267.4

The financial statements were approved by the trustees on ..... 7/12/2022 .....

Signature.....

J P Lee - Chair

St Mary Magdalene & Holy Jesus Trust

Cash Flow Statement for the Year Ending 31st March 2022

	Notes	£000's 2022	£000's 2021
Net cash inflow from operating activities	(a)	167.6	39.7
Cash flow from investing activities			
Capital Expenditure on Operational Estate		(810.5)	(1,475.1)
Decrease in Net Investment Income Receivable		82.5	171.8
Purchase of investments		-	-
Sale of investments		1,879.3	-
Net cash flow from financing activities		1,151.3	(1,303.3)
Net increase in cash and cash equivalents		1,318.9	(1,263.6)
Cash and cash equivalents at 1 April 2021		3,233.4	4,497.0
Cash and cash equivalents at 31 March 2022	(b)	4,552.3	3,233.4

(a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing) resources before other recognised gains and losses	(187.2)	40.1
Depreciation	172.8	307.9
Decrease / (Increase) in Debtors	216.0	(177.1)
Increase / (Decrease) in Creditors	(34.0)	(131.2)
Net cash inflow / (outflow) from operating activities	167.6	39.7

(b) Cash and cash equivalents consist of:

Cash at bank and in hand	4,552.3	3,233.4
Cash and cash equivalents at 31 March 2022	4,552.3	3,233.4

Summary of Significant Accounting Policies

(a) General information and basis of preparation

St Mary Magdalene & Holy Jesus Trust is a Trust set up by a Charitable Trust Deed on 19 November 1963 which was last amended on 22 December 2008 in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in the Trustees' Annual Report. The nature of the charity's operations and principal activities are the provision of housing – Almshouses – for older persons who are in need, hardship or distress within Newcastle upon Tyne, payments for the relief in need of the Brethren and Sister of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett, and making grants to and providing or paying for items, services and facilities for individuals and organisation who are in need, hardship or distress.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

(i) Unrestricted Funds (General Reserve)

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

(ii) Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(iii) Restricted Funds

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

(iv) Endowment Funds

Endowment funds represent those assets which must be held permanently by the charity, principally Investments and Investment Properties (including associated revaluation reserves). Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is provable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

When applicable, gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity currently receives no government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

(i) Costs of raising funds includes:
All costs of managing the charity's investments are included in this heading as per paragraph 4.46 of the SORP. These include management fees and the costs of keeping investment properties in good repair.

(ii) Expenditure on charitable activities includes:
All direct and support costs incurred in the running of the charity's almshouses are charged to this heading. Also included are allowances to Brethren and Sisters of the hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett.

Other expenditure represents those items not falling into categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are considered to be wholly attributable to expenditure on charitable activities. Premises overheads and other overheads are all considered to be support costs relating directly to charitable activities.

Fund-raising costs are those incurred in managing the charity's investment portfolio and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Fixed Assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

(i) Buildings (Operational Estate) - 50 years
(ii) Residential Care Home Building - 25 years
The Residential Care Home building is now vacant except for those areas used as office space, chapel and welfare and dining facilities. At 31.3.2016 the facility was written down to a value equating to £10 / sq. ft. per annum with an expected useful life of 5 years. At 31.3.21 its book value was therefore zero.
(iii) Fixtures and Fittings - 10 years
(iv) Software and Motor Vehicles - 5 years

Fixed assets below a value of £5,000 are not capitalised

(g) Investment Assets

Financial Investments are included in the Financial Statements at Market Value. Realised gains and losses are included in the SOFA and are credited or charged to the reserves against which the assets are held: Permanent Endowment Fund and Northumberland Street Sinking Fund.

Investment Properties of the Trust are held for long term investment. They are accounted for in accordance with SORP (FRS 102) as follows:

(i) They are disclosed at Market Value.
(ii) The valuations are carried out every three to five years subject only to obtaining advice as to the possibility of any material movements between individual valuations.
(iii) Realised and unrealised gains are included in the SOFA and credited or charged to the Permanent Endowment Fund.

(iv) No depreciation is provided in respect of these properties.

The non-agricultural element of the commercial estate was valued by Hindmarsh & Partners as at 31st March 2022 on the basis of Fair Value as detailed by the Royal Institution of Chartered Surveyors in the RICS Red Book. The valuation of the Chippendale Properties assumes vacant possession as the trustees do not envisage selling subject to the existing tenancies. The trustees have reviewed the carrying value of these assets in the light of prevailing economic conditions and consider that there is no impairment to that value.

The Farms and Woodlands etc. were valued by Galbraith as at 17th March 2022 by way of a percentage uplift based on the selling price achieved on the Great Law Farm sale over its previous book carrying value. Any development values relating to options given to housing developers in farm properties are not included within these financial statements, due to the inherent uncertainty of ultimately realising the value on such arrangements.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Employee Benefits

Pension benefits are provided through the Tyne & Wear Pension Fund, which is a defined benefit scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the Scheme. The benefits are funded over the employee's period of service and contributions are in accordance with the most recent actuarial valuation of the fund.

The actuary to the Scheme has confirmed that it is not possible to separately identify the assets and liabilities relating to each separate body that participates in the Scheme. The accounting is, therefore, based on a defined contribution basis.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- The charity's Residential Care Home was closed in 2012 and has remained empty since apart from those areas used as administration offices and dining room / kitchen, chapel and welfare facilities. It is appreciated that in the longer term this situation is untenable and that the building has a limited life. To that end it was re-valued at a suitable rental rate with a proposed future life of 5 years from 31st March 2016. At 31.3.21 its net book value was zero.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Valuation of farms
  The majority of the farms are located on or near to former coal or industrial workings. It has been assumed that no past or present uses of the land would lead to a potential for contamination. Should it be established subsequently that contamination, seepage or pollution exists at any of the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this might reduce the values now reported.

1 Income from donations and legacies

	2022 £000's	2021 £000's
Donations Received	-	1.3

All donations represent unrestricted funds.

2 Incoming resources from charitable activities

	2022 £000's	2021 £000's
Sheltered Housing	557.5	518.3

3 Income from investments

	2022 £000's	2021 £000's
Commercial Estate	706.8	608.7
Managed Financial Investments	525.6	447.1
Interest on Other Cash Balances	2.7	11.9
	1,235.1	1,067.7

All investment income represents unrestricted funds.

4 Raising Funds:

Investment management costs	Unrestricted £000's	Restricted £000's	Endowment £000's	2022 £000's	2021 £000's
Legal fees	0.0	0.0	9.3	9.3	1.4
Investment manager fees	0.0	0.0	152.8	152.8	124.7
Other	0.0	0.0	116.4	116.4	101.3
	-	-	278.5	278.5	227.4

£278,500 (2021 - £227,200) of the above costs were attributable to endowment funds. £0 (2021 - £0) of the above costs were attributable to restricted funds.

5 Analysis of expenditure on charitable activities

	Activities under Taken Directly £000's	Support Costs £000's	Total 2022 £000's	Total 2021 £000's
Sheltered Housing*	1,309.9	380.7	1,690.6	1,306.4
Grants to Brethren	10.7	-	10.7	10.9
Other Donations	-	-	-	2.5
	1,320.6	380.7	1,701.3	1,319.8

* Costs for 2021 include a charge of £100,500 for accelerated depreciation on Magdalene Court Flats taking them to zero net book value.

6 Allocation of Support Costs

All Support costs are attributable to Sheltered Housing	Total 2022 £000's	Total 2021 £000's
Provision of Meals	47.4	68.9
Administration Salaries and Expenses	227.1	172.3
Administration Building Costs	50.4	39.9
Chaplaincy Costs	-	4.0
Governance	29.4	20.7
Other Support Costs	26.4	8.0
	380.7	313.8

Note: The Trust has registered for VAT and can only partially recover input VAT. The amount irrecoverable is included in the above figures. As a result of registration, VAT amounting to £44,434 (2021: £24,704) has been recovered during the year.

7 Governance Costs

	Total 2022 £000's	Total 2021 £000's
Legal & Professional Fees	16.7	8.2
Auditor's Remuneration	8.3	8.3
Insurance	1.7	1.7
Other	2.7	2.5
	29.4	20.7

8 Net income / (expenditure) for the year

	Total 2022 £000's	Total 2021 £000's
Net income/(expenditure) for the year is stated after (charging) / crediting:		
Depreciation of tangible fixed assets	(172.8)	(307.9)
Profit on sale of investment property	79.3	
Loss on fair value movement of investment property	(989.9)	-
Profit / (loss) on fair value movement of investments	62.6	2,184.4

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £8,250 (2021 - £8,250)

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021: £Nil).

The Total amount of employee benefits received by key management personnel was £120,055, (2021 : £94,874). The trust considers its key management personnel to comprise non trustees who directly contribute to the Trust's board meetings.

0 (2021 : 0) trustees are accruing pension arrangements.

The trustees did not have any expenses reimbursed during the year (2021: £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:-

Average Number of Employees	2022 Average	2022 FTE	2021 Average	2021 FTE
Raising funds	0	0	0	0
Charitable activities	6	6	7	7
Governance	0	0	0	0
	6	6	7	7

The total staff costs and employee benefit's was as follows:	2022 £000's	2021 £000's
Gross Wages (Includes zero redundancy costs, 2021: £17,312)	199.8	204.3
NI Contributions	20.2	17.0
Pension Contributions	30.8	24.2
	250.8	245.5
Agency Staff	46.7	31.5
	297.5	277.0

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

12 Operational Estate

	Operational Buildings £000's	Assets Under Construction	Fixtures, Fittings & Equipment £000's	Total £000's
Cost at 31st March 2021	14,460.2	64.8	299.6	14,824.6
Additions		810.5		810.5
Transfers	695.2	(695.2)		-
Disposals				-
Cost at 31st March 2022	15,155.4	180.1	299.6	15,635.1
Depreciation at 31st March 2021	7,536.4	-	292.0	7,828.4
Charge for year	168.9		3.9	172.8
Accelerated Depreciation	-		-	-
Disposals				-
Depreciation at 31st March 2022	7,705.3	-	295.9	8,001.2
Net Book Value at 31st March 2022	7,450.1	180.1	3.7	7,633.9
Net Book Value at 31st March 2021	6,923.8	64.8	7.6	6,996.2

13 Investment Assets

	[Unrestricted] General Reserve £000's	[Designated] Northumberland Street Sinking Fund [1] £000's	[Permanent Endowment] Financial Investments [1] £000's	[Permanent Endowment] Commercial Estate [2] £000's	Total £000's	Total Investments 2022 £000's	2021 £000's
Carrying value at beginning of year	-	5,528.4	20,203.2	10,373.4	30,576.6	36,105.0	34,092.4
Add: Additions to investments at cost	-	-	-	-	-	-	-
Less: Disposal proceeds	-	-	-	(1,879.3)	(1,879.3)	(1,879.3)	-
Transfer of Funds[3]	-	(5,528.4)	5,528.4	-	5,528.4	-	-
Gains / (Losses) on Disposals	-	-	-	79.3	79.3	79.3	-
Revaluation	-	-	62.6	(989.9)	(927.3)	(927.3)	2,184.4
Movement on Income not paid over	-	-	43.8	-	43.8	43.8	(44.1)
Management Fees Paid	-	-	(126.3)	-	(126.3)	(126.3)	(127.7)
Carrying value at end of year	-	-	25,711.7	7,583.5	33,295.2	33,295.2	36,105.0
Investment Assets comprise:							
Investment properties	-	-	-	7,583.5	7,583.5	7,583.5	10,373.4
Listed Investments	-	-	25,125.9	-	25,125.9	25,125.9	24,807.4
	-	-	25,125.9	7,583.5	32,709.4	32,709.4	35,180.8
Cash balances held in Investment Portfolio	-	-	585.8	-	585.8	585.8	924.2
	-	-	25,711.7	7,583.5	33,295.2	33,295.2	36,105.0
Investment Income 2022	-	-	525.6	706.8	1,232.4	1,232.4	[Note 3]
Investment Income 2021	-	-	447.1	608.7	1,055.8	1,055.8	

[1]Financial Investments
The fair value of listed investments carried in the Northumberland Street Sinking Fund and Permanent Endowment is determined by reference to the quoted price at the balance sheet date.

There are no investment assets held outside the UK.

[2]Commercial Estate
In accordance with accounting policy, the Trust's holdings of investment land, buildings and farms were revalued by its commercial and agricultural property agents on 31st March 2022. The Trustees have reviewed the portfolio at 31st March 2022 and consider that no impairment is required other than that reflected in the valuation.

[3]Transfer of Funds
The Charity Commision discharged the order for the Northumberland Street Sinking Fund on November 15th 2021 resulting in its closure and transfer to the Permanent Endowment.

	2022 £000's	2021 £000's
14 Debtors		
Rents Receivable	31.0	215.3
Prepayments and Accrued Income	38.3	70.0
	69.3	285.3

	2022 £000's	2021 £000's
15 Creditors		
Trade Creditors	46.9	41.2
Accruals and Deferred Income	271.6	311.3
	318.5	352.5

	2022 £000's	2021 £000's
16 Long Term Liabilities		
Tyne and Wear Pension Fund shortfall payments	-	-

	2022 £000's	2021 £000's
17 Deferred income		
At 31 March 2021	154.4	108.7
Additions during the year	524.4	609.0
Amounts released to income	(591.1)	(563.3)
At 31 March 2022	87.7	154.4

Deferred income relates to commercial property rents paid in advance.

18 Movement on Funds

		Desginated	Restricted			Endowment		
	General Reserve £000's	Capital Projects Fund £000's	Northumberland Street Sinking Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Permanent Endowment General Fund £000's	Total Endowment Funds £000's	Total Funds £000's
Balance at 31st March 2021	500.0	2,185.2	5,528.4	6,931.3	14,644.9	31,122.5	31,122.5	46,267.4
Net Incoming/(Outgoing) Resources	808.0	(716.7)	-	-	(716.7)	(278.5)	(278.5)	(187.2)
Transfers:	(808.0)	1,992.0		695.3	2,687.3	(1,879.3)	(1,879.3)	-
Redemption of NSSF			(5,528.4)		(5,528.4)	5,528.4	5,528.4	-
Amortisation of Operational Estate Res.		172.8		(172.8)	-		-	-
Reduction of General Reserve	-	-			-		-	-
Gains/(Losses) on Investments	-	-	-	-	-	(848.0)	(848.0)	(848.0)
Balance at 31st March 2022	500.0	3,633.3	-	7,453.8	11,087.1	33,645.1	33,645.1	45,232.2

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £172,800 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. The net proceeds of Permanent Endowment property sales was transferred to the Capital Projects Fund with Charity Commission approval.
3. The Trust successfully sought permission for the Northumberland Street Sinking Fund order be considered discharged and the value of the fund was transferred to the Permanent Endowment.

18 Movement on Funds

	General Reserve £000's	Capital Projects Fund £000's	Northumberland Street Sinking Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Endowment: Permanent Endowment General Fund £000's	Endowment: Total Endowment Funds £000's	Total Funds £000's
Balance at 31st March 2020	1,000.0	2,815.0	5,438.5	5,534.0	13,787.5	29,255.4	29,255.4	44,042.9
Net Incoming/(Outgoing) Resources	665.4	(297.4)	-	(100.5)	(397.9)	(227.4)	(227.4)	40.1
Transfers:	(665.4)	(1,039.8)		1,705.2	665.4		-	-
								-
Amortisation of Operational Estate Res.		207.4		(207.4)	-		-	-
Reduction of General Reserve	(500.0)	500.0			500.0		-	-
Gains/(Losses) on Investments	-	-	89.9	-	89.9	2,094.5	2,094.5	2,184.4
Balance at 31st March 2021	500.0	2,185.2	5,528.4	6,931.3	14,644.9	31,122.5	31,122.5	46,267.4

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £207,400 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. The General Reserve's policy level was reduced to £500,000 and excess income was transferred to the Capital Projects Fund

18 Movement on Funds (continued)

Fund descriptions

Unrestricted Funds

General Reserve

All income is credited to the General Reserve and all costs of charitable activites charged to it, except for those which are deemed to be items covered by the Capital Expenditure Fund. The policy level for the Reserve was been reduced to £500,000 during the year ended 31st March 2021. Any surplus over this amount is transferred to the Capital Projects Fund.

Designated Funds

(a) Operational Estate Reserve

This reserve was created in order to bring the capitalised Operational Estate of the Trust (The Residential Care Home, Sheltered Housing and associated fixtures and fittings) into the Financial Statements at cost less accumulated depreciation in accordance with SORP 2005. Under SORP 2000 these assets were not valued as they were considered "inalienable". The scope was widened in the Financial Year ended 31st March 2010 and the balance increased to reflect the book value of all operational assets. This reserve is amortised back to the Capital Expenditure Reserve in line with the depreciation charge.

(b) Capital Projects Fund

This fund was created during the Financial Year Ended 31st March 2010 to provide for the future Capital Expenditure requirements of the Trust.

Restricted funds

(a) Northumberland Street Sinking Fund

At the time of the sale of the freehold reversion in the premises in Northumberland Street occupied by C & A Modes, the Trustees, under an order of the Charity Commissioners sealed on 7 July 1980, were instructed to set aside investments to the value of £191,879.09 in such a way that the dividends on these investments should be accumulated for 80 years, the then unexpired term of the subsisting leases. The purpose of this fund is to recoup, out of income, the sum of £6,300,000 which is the difference between the sales proceeds of the reversion (£1,700,000) and the estimated value of the property with vacant possession as at the date of the sale (£8,000,000).

The Charity Commission discharged the above order November 15th 2021 and the fund was transferred to the Permanent Endowment.

Endowment funds

(a) Permanent Endowment Fund

The Permanent Endowment Fund is a form of restricted fund and represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. All costs relating to Permanent Endowment Assets are charged to this Fund.

19 Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Endowment	Total
	£000	£000	£000	£000	£000
Fixed assets	-	7,633.9	-	33,295.2	40,929.1
Cash and current asset investments	572.7	3,476.9	-	502.7	4,552.3
Other current assets/liabilites	(72.7)	(23.7)	-	(152.8)	(249.2)
Creditors due in more than one year	-	-	-	-	-
	500.0	11,087.1	-	33,645.1	45,232.2

20 Pension Commitments

The Trust participates in the Tyne and Wear Pension Fund for its employees.

Under the definitions set out under Financial Reporting Standard 17 (Retirement Benefits), the Tyne and Wear Pension Fund is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in Section 28 of FRS102, the Financial Reporting Standard applicable in the UK and Ireland.

Pension contributions payable for the year ended 31st March 2022 amounted to £24,267 (2021: £20,562) and there were 2 employees (2021: 2) participating in the scheme during the year.

Under the 2019 scheme valuation, no additional deficit contributions are payable (2021: £Nil)

21 Capital Commitments

In 2021 the Trust entered into a contract with Meldrum Construction Services Ltd for the refurbishment of vacant Mary Magdalene Bungalows. The estimated cost is £509,600

22 Related party transactions:

A number of trustees have relatives or members of their Freemen Companies receiving sheltered housing provided by the charity. All of these beneficiaries qualify for housing under the charity eligibility criteria. All transactions with these related parties were at arms length.

23 Control

The charity is controlled by the Board of Trustees.

ST MARY MAGDALENE AND HOLY JESUS TRUST

England & Wales - Charity number 225979

Accounts

St Mary Magdalene & Holy Jesus Trust

Registered Charity No 225979

Report And Financial Statements

For the Year Ended 31st March 2021



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***Chair*: Mr J P Lee**

St Mary Magdalene & Holy Jesus Trust

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St Mary Magdalene & Holy Jesus Trust

Trustees' Annual Report for the year ended 31st March 2021

A. OBJECTIVES AND ACTIVITIES

The St Mary Magdalene & Holy Jesus Trust is an almshouse charity located in Spital Tongues, Newcastle upon Tyne whose main objective is to assist older people who are in need, hardship or distress by providing housing. In fulfilling this objective, the charity also aims to assist its beneficiaries to live independently.

The St Mary Magdalene & Holy Jesus Trust has a long history stretching back several hundred years. It was an amalgamation of two Almhouses, The Hospital of St. Mary Magdalene, which was founded in the 12th century and the Hospital of the Holy Jesus, which was founded in the 17th century along with three other charities. These Almshouses and charities were brought together in the Hospital of St. Mary Magdalene and other Charities (Newcastle upon Tyne), Charity Scheme Confirmation Act, 1959. The organisation's governing document has changed since then with the current governing document being the 2008 Scheme, The St. Mary Magdalene & Holy Jesus Trust.

At the end of the reporting period, the charity had 128 almshouses:

- St. Mary Magdalene: 79 bungalows
- Holy Jesus: 49 bungalows

In addition, the charity has 16 flats at Magdalene Court, which are currently vacant (See Section D), a former care home, which is no longer used for residential accommodation (See Section D) and 4 flats referred to as the "Chippendale Properties" which are all occupied.

In accordance with the Trust's Scheme, when making appointments, trustees must give preference to certain classes of persons who are required to meet specific eligibility criteria. Freemen of the City of Newcastle upon Tyne are given preference for certain specified almshouses. In 2009, the Economic Development and Construction Act gave the daughters of Freemen the same prescriptive rights as the sons of Freemen. At the time of reporting, there were 18 bungalows occupied by Freemen of the City of Newcastle upon Tyne.

With regard to other homes, preference is given to other qualifying applicants who do not have a connection to the Freemen of the City of Newcastle upon Tyne. These applicants must have resided in the area of benefit (City of Newcastle upon Tyne and the surrounding area) for not less than two years preceding the receipt of benefit or for not less than ten consecutive years at any one time. Q ualifying applicants for Magdalene Court were required to be in need because of their disability and qualifying applicants for the residential care home were required to be in need because of illness or infirmity. To qualify for the Chippendale Properties, applicants are required to be in need because of illness or infirmity.

In exceptional circumstances, the trustees may appoint a resident who lives outside the area of benefit or has not lived in the area of benefit for the required number of years but is otherwise qualified.

The Trust also makes quarterly grants to the beneficiaries of three "hospitals" that were originally part of the same range of buildings as the old Hospital of Holy Jesus. These beneficiaries are non-resident and all must be in need, hardship or distress. There are no age or residence qualifications.

- Ann Davison Hospital
  Comprises six beneficiaries of whom three must be poor widows of Clergymen and three the poor widows of Freemen with preference being given to the widows of merchants.

- Thomas Davison Hospital
  Comprises six beneficiaries who must be the poor widows or unmarried daughters of Freemen.

- Sir Walter Blackett Hospital
  Comprises six beneficiaries who must be poor unmarried Freemen.

In addition, a quarterly allowance is paid to the Freemen residents who live on the site.

Currently, the trustees provide the following additional benefits for residents of the almshouses:

- An on-site Handyman Service
- A 100% subsidy on water rates for those who reside in the St Mary Magdalene bungalows
- A free emergency call alarm system that can be accessed 24/7 which includes smoke alarm and C02 alarm monitoring and, for those residents who are assessed as having specific needs, the provision of a free daily morning call and/or additional telecare services
- A subsidised dining facility
- Security service which includes an on-site security guard
- Communal grounds
- Free social activities and events
- A separate property for the use of family or friends visiting residents
- A small laundry facility centrally located on the site for the use of residents, if required
- A site chapel

The Trust also has the power to make grants to provide or pay for items, services and facilities for individuals, organisations and institutions. During the year ended 31st March 2021, the Trust made a grant of £2,500 to the City Lifeline Project organised by Newcastle City Council to assist those in need due to the Covid pandemic

The trustees have given due consideration to the Charity Commission's guidance in relation to public benefit. The charitable purposes undertaken by the Trust which meet the requirements under the Charities Act 2011 are: (a) the prevention or relief of poverty and (b) the relief of those in need because of age, ill-health, disability, financial hardship or other disadvantage.

B. ACHIEVEMENTS & PERFORMANCE

- This year has been particularly challenging for the organisation due to the COVID 19 pandemic, but the Management Team and the support staff have continued to provide our existing beneficiaries with housing services, support and advice and, where appropriate, have made referrals or directed residents to other relevant services. In addition, the Trust continued

to allocate properties to new beneficiaries in accordance with government guidelines for landlords.

- The organization has reviewed its purpose and activities and has produced a Business Plan, which includes proposals for the redevelopment of the Magdalene Court site, the site of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows. The investment proposed for the 6-year term totals around £9.5million, with no public funding being used.
- A review of the staffing arrangements has been completed to ensure that the organisation has the staff it needs to deliver services to its beneficiaries and to deliver the 6-year Business Plan.
- Work continues on the renovation of the Mary Magdalene Bungalows with a total project cost so far in excess of £2million
- We continued to receive a high level of interest from potential applicants who wish to live in our almshouse accommodation. A review of maintenance contributions was undertaken to make them more commensurate with the standard of property provided.
- A new partnership arrangement has been in put in place to provide residents with a out of hours repairs service, which provides more capacity and resilience for repair and maintenance services.
- A constitutional review was begun and revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited have been drafted for adoption. A new Finance and Audit Committee and Licensee (Residents Committee) have also been established. There are further activities planned for 2020/21 to ensure that the Charity's governance arrangements are in accordance with the Charity Commission's recommendations and best practice for the sector.
- Following the resignation of the General Manager, a new Chief Executive Officer has been recruited, taking up post mid-2020.

C. FINANCIAL REVIEW

The financial statements for the year ending 31st March 2021 show:

- Net Income (exclusive of investment gains / losses) of £40,100 (2020: £583,100)
- Net Investment gains £2,184,400 (2020: £303,200 loss)
- Cash Flow £1,263,600 negative (2020: £547,100 positive).
- Total Funds £46,267,400 (2020: £44,042,900).

❖ Sources Of Funding and Use Of Funds

The Trust has two principal funding sources; Maintenance Contributions (charitable property rents) and investment income, the latter being derived from financial and property portfolios.

The Trust's policy has formerly been to set Maintenance Contributions at a level covering everyday charitable property costs and contributing to long term repairs. Investment income was to fund other subsidies to residents, major repairs and capital expenditure. This approach has continued in the Business Plan and following a performance review of the Trust's investments the organisation commenced the process in 2020/21 of selling one of its farms to meet the

additional capital requirements of the Business Plan.

❖ Significant Events Impacting This Year's Results

- Resident numbers continued to be significantly lower than capacity due to the Mary Magdalene Bungalow refurbishment program and the vacation of Magdalene Court pending redevelopment. The latter was written down to zero value in the year, resulting in an accelerated depreciation charge of £100,500.
- Investment portfolio values were 5.9% higher than at the end of the prior reporting period, but the revenue derived therefrom fell by 19%. The latter was due to reduced dividend receipts and £66,000 rent relief given to commercial tenants who had lost significant business due to Covid.
- The Covid pandemic resulted in the withdrawal some subsidised services and a consequent reduction in operating costs. This was compounded by reduced administration overhead as staff worked from home during lockdown. The total reduction in costs due to the pandemic is estimated to be circa £32,000.

Even with the issues raised by the world-wide pandemic, the Trust remains in an incredibly strong financial position. Although investment income fell by almost 20% from the previous year, the cost charitable operations has been covered and a significant sum added to the Capital Expenditure Fund.

Going forward over the next few years it is uncertain as to how well or quickly the lost income will be recovered, and this will impact the funding of the business plan. The main financial issue to be faced therefore is that of addressing the loss of income so that the business plan is not delayed.

❖ Review of Reserves

At 31st March 2021, the balances on the Trust's various funds and the assets supporting them were as follows:

£000s	Permanent Endowment	General Reserve	Operational Estate Reserve	Capital Project Fund	Northumberland Street Sinking Fund	Total
Aberdeen Asset Portfolio	17108.4	0.0	0.0	0.0	0.0	17,108.4
Tilney Portfolio	2574.7	0.0	0.0	0.0	0.0	2,574.7
Edentree Portfolio	520.1	0.0	0.0	0.0	0.0	520.1
CCLA Portfolio	0.0	0.0	0.0	0.0	5528.4	5528.4
Investment Property	10373.4	0.0	0.0	0.0	0.0	10373.4
Cash & Deposits	535.7	549.2	0.0	2148.5	0.0	3233.4
Operational Property	0.0	0.0	6931.4	64.8	0.0	6996.2
Net Current Assets	10.2	-49.2	-0.1	-28.1	0.0	-67.2
Total	31,122.5	500.0	6931.3	2,185.2	5528.4	46,267.4

- Permanent Endowment
  Due to the Trust's current policy regarding the setting of Maintenance Contributions, the investment income from this fund provides the funds to cover subsidies, major revenue expenditure and to fund future capital expenditure. All income is credited to the General Reserve and capital gains / losses remain in the Permanent Endowment.
  The Trust had previously considered adopting a Total Return approach to the Permanent Endowment in order to pay off the Northumberland Street Sinking Fund with accrued capital gains. This approach has now been put on hold until the results of further discussions with the Charity Commission regarding (see below)

- General Reserve
  The General Reserve Policy level was reduced by 50% to £500,000 during the year and now equates to 2.5 years net cost of charitable operations excluding depreciation.

- Operational Estate Reserve
  This reserve represents the capitalised operational assets of the Trust and an amount equivalent to the depreciation charge is transferred from it to the Capital Projects Fund each year.

- The Capital Projects Fund provides for the replacement of housing stock and other major items of capital and revenue expenditure. It is maintained primarily by the remaining investment income after charitable subsidies and transfers to other reserves.

- The Northumberland Street Sinking Fund was set up under an order of the Charity Commissioners sealed on 7 July 1980. The purpose of this fund is to recoup out of investment income the sum of £6,300,000 which is the difference between the sales proceeds of Northumberland Street properties and their estimated value with vacant possession.

  Although the Trust had considered implementing Total Return in order to pay off the balance of this fund, it has now requested that the Charity Commission consider the fund fully paid as the present value is in excess of the discounted future value .

❖ Investment Policy

The Trust's Investment Policy is to have a diverse base to spread risk whilst simultaneously aiming for capital appreciation at least equal to inflation and an income return sufficient to meet on-going and cyclical operational costs not recovered from Maintenance Contributions and future capital expenditure needs.

The policy is currently undergoing review in order to align the management of the investments with the requirements of the business plan.

❖ Risks And Uncertainties / Factors Affecting Future Performance

The following key risks and uncertainties which may impact future performance have been identified:

- Despite reviewing its investment policy, the Trust may still be exposed to a degree of risk due to the uncertain economic climate regarding the United Kingdom leaving the European Union and the repercussions of the Covid - 19 pandemic.

- With the adoption of the new revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited several long serving trustees will retire. There is a transition plan in place but recruiting trustees, with the required levels of expertise and knowledge as replacements, could be challenging for the organisation as it is for small charities in general.

D. PLANS FOR FUTURE PERIODS

- There is a detailed Business Plan in place covering the organisation's future-plans. This includes proposals for the redevelopment of the Magdalene Court site, the site of the former residential care home and the continued refurbishment of the Mary Magdalene Bungalows. In addition, the organization is undertaking several activities to enable a longer-term business plan to be put in place, which will build on this to ensure maximum benefit is being provided.

- The charity remains committed to providing a community environment which encourages social wellbeing through the provision of a range of facilities, activities and events.

- The newly established Licensee (Residents) Committee is helping to involve residents in the running of the organization and resident involvement is an area that the organisation plans to develop further.

- Following the establishment of the new committees and approval of the revised articles for the St Mary Magdalene & Holy Jesus Trustee Limited the organisation will continue with its governance review with further activities planned for 2020/21.

E. STRUCTURE, GOVERNANCE AND MANAGEMENT

❖ Governing Document

By a Scheme of the Charity Commissioner sealed on 22nd December 2008, the St Mary Magdalene and Holy Jesus Trustee Limited (Company Number 6662527), a company limited by guarantee in England, became the trustee of the charity. The trustee, comprising 10 Company Directors (Charitable Trustees for the purposes of charity law) was established under a Memorandum of Association on 1st August 2008 and governed by its Articles of Association. On 11th March 2013, a Special Resolution was passed that the existing Memorandum and Articles of Association of the Company in their entirety be removed and substituted for new Articles of Association which now govern the proceedings of the Company.

❖ Nomination of Trustees

The following bodies are entitled to nominate trustees:
The Stewards Committee of the Freemen of the City of Newcastle upon Tyne (3 trustees), Newcastle City Council (3 trustees) and the Bishop of Newcastle (1 trustee). The remaining three posts are available for the co-opting of trustees with skills relevant to the charity's operations. All trustees initially hold office for a period of four years and then, 'year on year'; following consideration and agreement by a majority of trustees may have their term of office extended for further periods of one year.

❖ Trustee Induction & Training

Trustees who are nominated or co-opted to the Board come from a range of backgrounds. As part of their induction and training, new trustees receive the following documents in relation to the charity, its work and their responsibilities as a trustee - Charity Governance Code, Charity Scheme, Articles of Association, history of the charity and its governance and objectives, latest set of audited accounts and budget for the current financial year, minutes of previous Board Meetings, Scheme of Delegation, Standing Financial Instructions and Risk Management Register, management structure and details of other trustees, information about the charity's commercial and agricultural portfolio and the Charity Commission publication 'The Essential Trustee – What you need to know, what you need to do'. New trustees also meet with the Chair, Chief Executive and Finance Director to discuss the charity's strategy, objectives and current issues and are shown around the almshouse estate. All trustees are kept up to date on relevant matters affecting the charity, receive a copy of the quarterly Almshouses Gazette and are circulated with relevant information from the Charity Commission website and other appropriate publications.

Specific training and development needs are addressed in consultation with trustees and one meeting per year may be devoted to trustee training and development. All new trustees are required to complete a Skills Audit and the experience, knowledge, expertise and skills of trustees are periodically reviewed. Information from the Skills Audit can identify any potential gaps and, where possible, trustees try to influence and encourage appropriate nominations and appointments to the Board in order to complement and enhance the diversity of skills and perspectives.

❖ Organisation

The trustees act as stewards for both present and future beneficiaries and are accountable to the public by reason of the charitable status of the Trust. The board of trustees is responsible for establishing structures for the proper governance and management of the Trust and the development of the vision and strategy of the charity in accordance with its objects. The Board meets bi-monthly to discuss operational, financial and development policy, making decisions on key issues. The trustees are required to elect a Chair at the first meeting of each calendar year. A Vice Chair is also elected. A scheme of delegation is agreed annually, allowing the Chair and Vice Chair to act between meetings where necessary. As required, the trustees also establish Working Groups to undertake detailed work on specific areas and to make recommendations to the Board for approval.

The Trustees receive reports from the Management Team on their respective areas of responsibility in addition to regular reports from the Trust's investment managers and other professional advisors.

The overall day to day management of the Trust is delegated to the Management Team. A framework of authorities is in place which outlines the structure of delegation as well as specifying those responsibilities which remain the preserve of the trustees. Administrative support is provided by one full-time and one part-time assistant.

❖ Related Parties And Co-operation With Other Organisations

Although not part of a formal network of other charities, the Trust has established working relationships with charities of similar aims. Mr Paul Anderson, Mr Alan Bainbridge, Mrs Helen Birkett and Sir Leonard Fenwick are Members of the Stewards Committee of The Freemen of the City of Newcastle upon Tyne.

❖ Pay Policy for Senior Staff

Pay is normally increased to reflect a cost of living adjustment. A staffing review was completed during the year, which included the introduction of a new staff structure, job descriptions and associated terms and conditions.

❖ Risk Management

A Risk Management Register is in place. The trustees have assessed the major strategic and operational risks which the charity faces and are satisfied that control systems have been developed and are in place to mitigate the identified risks. The Risk Management Register is subject to regular review by the Finance and Audit Committee incorporating any new risks which might affect the charity. These are reported to the trustees who continue to review the risk management procedures, as required.

F. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES & PROFESSIONAL ADVISORS

Charity Name: St Mary Magdalene & Holy Jesus Trust
The charity operates within England and Wales and is registered with the Charity Commission with number: 225979
Registered Office: Claremont Road, Newcastle upon Tyne, NE2 4NN

The Trustees, Directors of the Trustee Company, and officers who held office at the date of signing the report are listed below together with their nominating bodies.

Name	Nominated By
Mr P Anderson	The Stewards Committee of the Freemen of Newcastle upon Tyne
Mr A R Bainbridge	The Stewards Committee of the Freemen of Newcastle upon Tyne

St Mary Magdalene & Holy Jesus Trust

Mrs H Birkett	The Stewards Committee of the Freemen of Newcastle upon Tyne
Sir L R Fenwick CBE	Co-opted
Mr J P Lee OBE (Chair)	Co-opted
Mr L McGray	Co-opted (Appointed 7th September 2020)
Mr D W Midgley OBE	Co-opted (Appointed 14th September 2021)
Councillor Mrs H Stephenson	Newcastle City Council
Councillor Mrs L Wright	Newcastle City Council
Councillor A S Avei	Newcastle City Council (Appointed 27th July 2021)
Councillor Mr A King	Newcastle City Council (Resigned 1st July 2021)
Canon P R Strange	Bishop of Newcastle

Mr Jon Mitford (Chief Executive Officer) Appointed 21st August 2020

The Trust's Professional Advisors:

Property Agents:	Hindmarsh & Partners Chartered Surveyors 49 Park View, Whitley Bay, Tyne & Wear, NE26 2TP
	Galbraith 59 George Street, Edinburgh, EH2 2JG
Solicitors:	Samuel Phillips 18-24 Grey Street, Newcastle upon Tyne NE1 6AD
	Womble Bond Dickinson St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX
Investment Managers:	Aberdeen Standard Capital 1 George Street, Edinburgh, EH2 2LL

Tilney Investment Management Services Limited
6 Chesterfield Gardens, Mayfair, London, W1J 5BQ

EdenTree Investment Management Limited
Beaufort House, Brunswick Road, Gloucester, GH1 1JZ

CCLA
Senator House, London, EC4V 4ET

Auditors: Haines Watts
17 Queens Lane, Newcastle upon Tyne, NE1 1RN

Bankers: Lloyds TSB
102 Grey Street, Newcastle upon Tyne, NE99 1SL

NatWest
16 Northumberland Street, Newcastle upon Tyne, NE1 7EL

Yorkshire Bank
131-135 Northumberland Street, Newcastle upon Tyne, NE1 7AG

G. STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are Directors of St Mary Magdalene & Holy Jesus Trustee Limited) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and 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 Statements of Financial Activities of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The trustees are responsible for keeping proper 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 Report) Regulations 2008 and the Charity's Scheme. 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.

H. AUDITORS

Haines Watts were appointed as the Trust's auditors for a three year term with annual review at the 18th May 2021 Board Meeting of the trustees.

This Report was approved by the Board of Trustees on 9th November 2021.

Signed.....
On behalf of the trustees

J P Lee - Chair

Opinion

We have audited the financial statements of St Mary Magdalene & Holy Jesus Trust (the 'Trust') for the year 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 charitable company's affairs as at 31 March 2020, and of the it's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the trustees report (page 2) and the accounting policies (page 24).

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the charity's financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 9 and 10, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks and investment managers to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

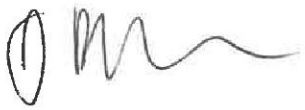
Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial

statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP
Statutory Auditors

29 November 2021

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2021

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2021 £000's	Total 2020 £000's
Income and endowments from:						
Donations and legacies	1	1.3	-	-	1.3	-
Charitable activities	2	518.3	-	-	518.3	541.0
Investments	3	1,067.7	-	-	1,067.7	1,325.9
Total income and endowments		1,587.3	-	-	1,587.3	1,866.9
Expenditure on:						
Raising funds	4	-	-	227.4	227.4	281.8
Charitable activities	{5}	921.9	297.4	-	1,219.3	1,002.0
Exceptional Item - Accelerated Depreciation			100.5		100.5	-
Other		-	-	-	-	-
Total expenditure		921.9	397.9	227.4	1,547.2	1,283.8
Net gains / (losses) on investments	13	-	89.9	2,094.5	2,184.4	(303.2)
Net income / (expenditure)		665.4	(308.0)	1,867.1	2,224.5	279.9
Transfers						
Gross transfers between funds	18	(1,165.4)	1,165.4	-		-
		(500.0)	857.4	1,867.1	2,224.5	279.9
Other recognised gains						
Other gains / (losses)		-	-	-	-	-
Net movement in funds		(500.0)	857.4	1,867.1	2,224.5	279.9
Reconciliation of Funds						
Total funds brought forward		1,000.0	13,787.5	29,255.4	44,042.9	43,763.0
Total funds carried forward	18	500.0	14,644.9	31,122.5	46,267.4	44,042.9

St Mary Magdalene & Holy Jesus Trust
Statement of Financial Activities for the Year Ending 31st March 2020

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2020 £000's	Total 2019 £000's
Income and endowments from:						
Donations and legacies	1	-	-	-	-	-
Charitable activities	2	541.0	-	-	541.0	447.8
Investments	3	1,325.9	-	-	1,325.9	729.6
Total income and endowments		1,866.9	-	-	1,866.9	1,177.4
Expenditure on:						
Raising funds	4	-	-	281.8	281.8	202.8
Charitable activities	{5}	965.7	36.3	-	1,002.0	857.6
Exceptional Item - Project Costs written Off					-	2,041.1
Other		-	-	-	-	-
Total expenditure		965.7	36.3	281.8	1,283.8	3,101.5
Net gains / (losses) on investments	13	-	193.7	(496.9)	(303.2)	(1,082.5)
Net income / (expenditure)		901.2	157.4	(778.7)	279.9	(3,006.6)
Transfers						
Gross transfers between funds	18	(901.2)	901.2	-		-
		-	1,058.6	(778.7)	279.9	(3,006.6)
Other recognised gains						
Other gains / (losses)		-	-	-	-	-
Net movement in funds		-	1,058.6	(778.7)	279.9	(3,006.6)
Reconciliation of Funds						
Total funds brought forward		1,000.0	12,728.9	30,034.1	43,763.0	46,769.6
Total funds carried forward	18	1,000.0	13,787.5	29,255.4	44,042.9	43,763.0

St Mary Magdalene & Holy Jesus Trust
Balance Sheet as at 31st March 2021

	Note	Unrestricted Funds £000's	Designated & Restricted Funds £000's	Endowment Funds £000's	Total 2021 £000's	Total 2020 £000's
Fixed Assets:						
Operational Estate	12	-	6,996.2	-	6,996.2	5,829.0
Investments	13	-	5,528.4	30,576.6	36,105.0	34,092.4
Total Fixed Assets		-	12,524.6	30,576.6	43,101.2	39,921.4
Current Assets						
Debtors	14	54.0	-	231.3	285.3	108.2
Cash at bank and in hand		549.2	2,148.5	535.7	3,233.4	4,497.0
Total current assets		603.2	2,148.5	767.0	3,518.7	4,605.2
Liabilities						
Creditors						
Amounts falling due within one year	15	(103.2)	(28.2)	(221.1)	(352.5)	(483.7)
Net current assets		500.0	2,120.3	545.9	3,166.2	4,121.5
Total assets less current liabilities		500.0	14,644.9	31,122.5	46,267.4	44,042.9
Long Term Liabilities	16	-	-	-	-	-
Net Assets		500.0	14,644.9	31,122.5	46,267.4	44,042.9
The funds of the charity						
Permanent Endowment Fund				31,122.5	31,122.5	29,255.4
General Reserve		500.0			500.0	1,000.0
Capital Projects Fund			2,185.2		2,185.2	2,815.0
Northumberland Street Sinking Fund			5,528.4		5,528.4	5,438.5
Operational Estate Reserve			6,931.3		6,931.3	5,534.0
Total Charity Funds	18	500.0	14,644.9	31,122.5	46,267.4	44,042.9

The financial statements were approved by the trustees on 9.11.2021

Signature.....

J P Lee - Chair

St Mary Magdalene & Holy Jesus Trust

Cash Flow Statement for the Year Ending 31st March 2021

	Notes	£000's 2021	£000's 2020
Net cash inflow from operating activities	(a)	39.7	931.5
Cash flow from investing activities			
Capital Expenditure on Operational Estate		(1,475.1)	(295.0)
Decrease in Net Investment Income Receivable		171.8	(96.4)
Purchase of investments		-	-
Sale of investments		-	7.0
Net cash flow from financing activities		(1,303.3)	(384.4)
Net increase in cash and cash equivalents		(1,263.6)	547.1
Cash and cash equivalents at 1 April 2020		4,497.0	3,949.9
Cash and cash equivalents at 31 March 2021	(b)	3,233.4	4,497.0

(a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing) resources before other recognised gains and losses	40.1	583.1
Depreciation	307.9	197.6
NBV of Fixed Assets Written Off	-	-
Decrease / (Increase) in Debtors	(177.1)	9.0
Increase / (Decrease) in Creditors	(131.2)	141.8
Net cash inflow / (outflow) from operating activities	39.7	931.5

(b) Cash and cash equivalents consist of:

Cash at bank and in hand	3,233.4	4,497.0
Cash and cash equivalents at 31 March 2021	3,233.4	4,497.0

Summary of Significant Accounting Policies

(a) General information and basis of preparation

St Mary Magdalene & Holy Jesus Trust is a Trust set up by a Charitable Trust Deed on 19 November 1963 which was last amended on 22 December 2008 in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information in the Trustees' Annual Report. The nature of the charity's operations and principal activities are the provision of housing – Almshouses – for older persons who are in need, hardship or distress within Newcastle upon Tyne, payments for the relief in need of the Brethren and Sister of the Hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett, and making grants to and providing or paying for items, services and facilities for individuals and organisation who are in need, hardship or distress.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

(i) Unrestricted Funds (General Reserve)

Unrestricted Funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

(ii) Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(iii) Restricted Funds

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

(iv) Endowment Funds

Endowment funds represent those assets which must be held permanently by the charity, principally Investments and Investment Properties (including associated revaluation reserves). Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is provable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

When applicable, gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity currently receives no government grants. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

(i) Costs of raising funds includes:
All costs of managing the charity's investments are included in this heading as per paragraph 4.46 of the SORP. These include management fees and the costs of keeping investment properties in good repair.

(ii) Expenditure on charitable activities includes:
All direct and support costs incurred in the running of the charity's almshouses are charged to this heading. Also included are allowances to Brethren and Sisters of the hospitals of Thomas Davison, Ann Davison and Sir Walter Blackett.

Other expenditure represents those items not falling into categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are considered to be wholly attributable to expenditure on charitable activities. Premises overheads and other overheads are all considered to be support costs relating directly to charitable activities.

Fund-raising costs are those incurred in managing the charity's investment portfolio and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Fixed Assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

(i)	Buildings (Operational Estate)	-	50 years
(ii)	Residential Care Home Building	-	25 years
	The Residential Care Home building is now vacant except for those areas used as office space, chapel and welfare and dining facilities. At 31.3.2016 the facility was written down to a value equating to £10 / sq. ft. per annum with an expected useful life of 5 years. At 31.3.21 its book value was therefore zero.		
(iii)	Fixtures and Fittings	-	10 years
(iv)	Software and Motor Vehicles	-	5 years

Fixed assets below a value of £5,000 are not capitalised

(g) Investment Assets

Financial Investments are included in the Financial Statements at Market Value. Realised gains and losses are included in the SOFA and are credited or charged to the reserves against which the assets are held: Permanent Endowment Fund and Northumberland Street Sinking Fund.

Investment Properties of the Trust are held for long term investment. They are accounted for in accordance with SORP (FRS 102) as follows:

(i) They are disclosed at Market Value.
(ii) The valuations are carried out every three to five years subject only to obtaining advice as to the possibility of any material movements between individual valuations.
(iii) Realised and unrealised gains are included in the SOFA and credited or charged to the Permanent Endowment Fund.

(iv) No depreciation is provided in respect of these properties.

The non-agricultural element of the commercial estate was valued by Hindmarsh & Partners as at 31st March 2019 on the basis of market value as set out in the Royal Institution of Surveyors Valuation – Professional Standards – Edition March 2012. The valuation of the Chippendale Properties assumes vacant possession as the trustees do not envisage selling subject to the existing tenancies. The trustees have reviewed the carrying value of these assets in the light of prevailing economic conditions and consider that there is no impairment to that value.

The Farms and Woodlands etc. were valued by Galbraith as at 29th May 2019 in accordance with the RICS Valuation - Professional Standards (2017). Any development values relating to options given to housing developers in farm properties are not included within these financial statements, due to the inherent uncertainty of ultimately realising the value on such arrangements.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Employee Benefits

Pension benefits are provided through the Tyne & Wear Pension Fund, which is a defined benefit scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the Scheme. The benefits are funded over the employee's period of service and contributions are in accordance with the most recent actuarial valuation of the fund.

The actuary to the Scheme has confirmed that it is not possible to separately identify the assets and liabilities relating to each separate body that participates in the Scheme. The accounting is, therefore, based on a defined contribution basis.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- The charity's Residential Care Home was closed in 2012 and has remained empty since apart from those areas used as administration offices and dining room / kitchen, chapel and welfare facilities. It is appreciated that in the longer term this situation is untenable and that the building has a limited life. To that end it was re-valued at a suitable rental rate with a proposed future life of 5 years from 31st March 2016. At 31.3.21 its net book value was zero.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Valuation of farms
  The majority of the farms are located on or near to former coal or industrial workings. It has been assumed that no past or present uses of the land would lead to a potential for contamination. Should it be established subsequently that contamination, seepage or pollution exists at any of the property or on any neighbouring land, or that the premises have been or are being put to contaminative use, this might reduce the values now reported.

1 Income from donations and legacies

	2021 £000's	2020 £000's
Donations Received	1.3	-

All donations represent unrestricted funds.

2 Incoming resources from charitable activities

	2021 £000's	2020 £000's
Sheltered Housing	518.3	541.0

3 Income from investments

	2021 £000's	2020 £000's
Commercial Estate	608.7	761.1
Managed Financial Investments	447.1	542.7
Interest on Other Cash Balances	11.9	22.1
	1,067.7	1,325.9

All investment income represents unrestricted funds.

4 Raising Funds:

Investment management costs

	Unrestricted	Restricted	Endowment	2021 £000's	2020 £000's
Legal fees	0.0	0.0	1.4	1.4	9.3
Investment manager fees	0.0	0.0	124.7	124.7	151.1
Other	0.0	0.0	101.3	101.3	121.4
	-	-	227.4	227.4	281.8

£227,200 (2020 - £281,8000) of the above costs were attributable to endowment funds. £0 (2019 - £0) of the above costs were attributable to restricted funds.

5 Analysis of expenditure on charitable activities

	Activities under Taken Directly £000's	Support Costs £000's	Total 2021 £000's	Total 2020 £000's
Sheltered Housing*	992.6	313.8	1,306.4	990.5
Grants to Brethren	10.9	-	10.9	11.2
Other Donations	2.5	-	2.5	0.3
	1,006.0	313.8	1,319.8	1,002.0

* Direct costs for 2021 include a charge of £100,500 relating accelerated depreciation on Magdalene Court Flats.

6 Allocation of Support Costs

All Support costs are attributable to Sheltered Housing	2021 £000's	2020 £000's
Provision of Meals	68.9	96.1
Administration Salaries and Expenses	172.3	213.1
Administration Building Costs	39.9	44.2
Chaplaincy Costs	4.0	7.1
Governance	20.7	16.0
Other Support Costs	8.0	10.3
	313.8	386.8

Note: The Trust has registered for VAT and can only partially recover input VAT. The amount irrecoverable is included in the above figures. As a result of registration, VAT amounting to £24,704 (2020: £31,538) has been recovered during the year.

7 Governance Costs

	2021 £000's	2020 £000's
Legal & Professional Fees	8.2	3.4
Auditor's Remuneration	8.3	8.3
Insurance	1.7	1.7
Other	2.5	2.6
	20.7	16.0

8 Net income / (expenditure) for the year

Net income/(expenditure) for the year is stated after (charging) / crediting:	2021 £000's	2020 £000's
Depreciation of tangible fixed assets	(307.9)	(197.6)
Gain / (loss) on sale of tangible fixed assets	-	-
Profit / (loss) on fair value movement of investment property	-	48.9
Profit / (loss) on fair value movement of investments	2,184.4	(352.1)

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £8,250 (2020 - £8,250)

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The Total amount of employee benefits received by key management personnel was £94,874, (2020 : £80,024). The trust considers its key management personnel to comprise non trustees who directly contribute to the Trust's board meetings.

0 (2020 : 0) trustees are accruing pension arrangements.

The trustees did not have any expenses reimbursed during the year (2020: £Nil).

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:-

Average Number of Employees	2021 Average	2021 FTE	2020 Average	2020 FTE
Raising funds	0	0	0	0
Charitable activities	7	7	10	10
Governance	0	0	0	0
	7	7	10	10

The total staff costs and employee benefit's was as follows:	2021 £000's	2020 £000's
Gross Wages (Includes £17,312 redundancy costs, 2020: £nil)	204.3	195.3
NI Contributions	17.0	15.9
Pension Contributions	24.2	25.8
	245.5	237.0
Agency Staff	31.5	34.5
	277.0	271.5

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

12 Operational Estate

	Operational Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Total
	£000's		£000's	£000's
Cost at 31st March 2020	12,754.9	295.0	299.6	13,349.5
Additions		1,475.1		1,475.1
Transfers	1705.3	(1,705.3)		-
Disposals				-
Cost at 31st March 2021	14,460.2	64.8	299.6	14,824.6
Depreciation at 31st March 2020	7,236.1	-	284.4	7,520.5
Charge for year	201.9		5.5	207.4
Accelerated Depreciation	98.4		2.1	100.5
Disposals				-
Depreciation at 31st March 2021	7,536.4	-	292.0	7,828.4
Net Book Value at 31st March 2021	6,923.8	64.8	7.6	6,996.2
Net Book Value at 31st March 2020	5,518.8	295.0	15.2	5,829.0

13 Investment Assets

	[Unrestricted] General Reserve £000's	[Designated] Northumberland Street Sinking Fund [1] £000's	[Permanent Endowment] Financial Investments [1] £000's	[Permanent Endowment] Commercial Estate [2] £000's	[Permanent Endowment] Total £000's	Total Investments 2021 £000's	Total Investments 2020 £000's
Carrying value at beginning of year	-	5,438.5	18,280.5	10,373.4	28,653.9	34,092.4	34,306.2
Add: Additions to investments at cost	-	-	-	-	-	-	-
Less: Disposal proceeds	-	-	-	-	-	-	(7.0)
Gains / (Losses) on Disposals		-	-	-	-	-	4.4
Revaluation	-	89.9	2,094.5	-	2,094.5	2,184.4	(307.6)
Movement on Income not paid over	-	-	(44.1)	-	(44.1)	(44.1)	222.2
Management Fees Paid	-	-	(127.7)	-	(127.7)	(127.7)	(125.8)
Carrying value at end of year	-	5,528.4	20,203.2	10,373.4	30,576.6	36,105.0	34,092.4
Investment Assets comprise:							
Investment properties	-	-	-	10,373.4	10,373.4	10,373.4	10,373.4
Listed Investments	-	5,528.4	19,279.0	-	19,279.0	24,807.4	22,670.3
	-	5,528.4	19,279.0	10,373.4	29,652.4	35,180.8	33,043.7
Cash balances held in Investment Portfolio	-	-	924.2	-	924.2	924.2	1,048.7
	-	5,528.4	20,203.2	10,373.4	30,576.6	36,105.0	34,092.4
Investment Income 2021	-	-	447.1	608.7	1,055.8	1,055.8	[Note 2]
Investment Income 2020	-	-	542.7	761.1	1,303.8	1,303.8	

[1]Financial Investments
The fair value of listed investments carried in the Northumberland Street Sinking Fund and Permanent Endowment is determined by reference to the quoted price at the balance sheet date.

There are no investment assets held outside the UK.

[2]Commercial Estate
In accordance with accounting policy, the Trust's holdings of investment land, buildings and farms were revalued by its commercial and agricultural property agents on 31st March 2019 and 29th May 2019 respectively. The Trustees have reviewed the portfolio at 31st March 2021 and consider that no impairment is required.

	2021 £000's	2020 £000's
14 Debtors		
Rents Receivable	215.3	49.0
Prepayments and Accrued Income	69.8	59.2
	285.1	108.2

	2021 £000's	2020 £000's
15 Creditors		
Trade Creditors	41.1	206.8
Accruals and Deferred Income	311.3	276.9
	352.4	483.7

	2021 £000's	2020 £000's
16 Long Term Liabilities		
Tyne and Wear Pension Fund shortfall payments	-	-

	2021 £000's	2020 £000's
17 Deferred income		
At 31 March 2020	108.7	51.1
Additions during the year	609.0	724.5
Amounts released to income	(563.3)	(666.9)
At 31 March 2021	154.4	108.7

Deferred income relates to commercial property rents paid in advance.

18 Movement on Funds

	General Reserve £000's	Capital Projects Fund £000's	Northumberland Street Sinking Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Endowment: Permanent Endowment General Fund £000's	Endowment: Total Endowment Funds £000's	Total Funds £000's
Balance at 31st March 2020	1,000.0	2,815.0	5,438.5	5,534.0	13,787.5	29,255.4	29,255.4	44,042.9
Net Incoming/(Outgoing) Resources	665.4	(297.4)	-	(100.5)	(397.9)	(227.4)	(227.4)	40.1
Transfers:	(665.4)	(1,039.8)		1,705.2	665.4		-	-
Amortisation of Operational Estate Res.		207.4		(207.4)	-		-	-
Reduction of General Reserve	(500.0)	500.0			500.0		-	-
Gains/(Losses) on Investments	-	-	89.9	-	89.9	2,094.5	2,094.5	2,184.4
Balance at 31st March 2021	500.0	2,185.2	5,528.4	6,931.3	14,644.9	31,122.5	31,122.5	46,267.4

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £207,400 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. The General Reserve's policy level was reduced to £500,000 and excess income was transferred to the Capital Projects Fund

18 Movement on Funds

		Restricted and Designated					Endowment			
	General Reserve £000's	Maintenance Fund £000's	Capital Projects Fund £000's	Northumberland Street Sinking Fund £000's	Operational Estate Reserve £000's	Total Restricted & Designated Funds £000's	Permanent Endowment General Fund £000's	Commercial Estate Revaluation Reserve £000's	Total Endowment Funds £000's	Total Funds £000's
Balance at 31st March 2019	1,000.0	451.4	1.301.3	5,244.8	5,731.4	12,728.9	19,702.6	10,331.5	30,034.1	43,763.0
Net Incoming/(Outgoing) Resources	901.2	-	(36.3)	-	-	(36.3)	(281.8)	-	(281.8)	583.1
Transfers:	(901.2)	(451.4)	1,352.6			901.2	10,331.5	(10,331.5)	-	-
										-
Amortisation of Operational Estate Res.			197.4		(197.4)	-			-	-
						-			-	-
Gains/(Losses) on Investments	-	-	-	193.7	-	193.7	(496.9)		(496.9)	(303.2)
Balance at 31st March 2020	1,000.0	0.0	2,815.0	5,438.5	5,534.0	13,787.5	29,255.4	-	29,255.4	44,042.9

Transfers between funds

Per current policy:

1. A transfer equal to the annual depreciation charge of £197,400 was transferred from the Operational Estate Reserve to the Capital Projects Fund.
2. Fund in excess of the General Reserve's policy level of £1,000,000 were transferred to the Capital Projects Fund

Additionally:

The Maintenance fund was closed and the funds transferred to the Capital Projects Fund. This reserve will now fund all major revenue and capital expenditure.

18 Movement on Funds (continued)

Fund descriptions

Unrestricted Funds

General Reserve

All income is credited to the General Reserve and all costs of charitable activites charged to it, except for those which are deemed to be items covered by the Capital Expenditure Fund. The policy level for the Reserve has been reduced to £500,000 during the year. Any surplus over this amount is transferred to the Capital Projects Fund.

Designated Funds

(a) Operational Estate Reserve

This reserve was created in order to bring the capitalised Operational Estate of the Trust (The Residential Care Home, Sheltered Housing and associated fixtures and fittings) into the Financial Statements at cost less accumulated depreciation in accordance with SORP 2005. Under SORP 2000 these assets were not valued as they were considered "inalienable". The scope was widened in the Financial Year ended 31st March 2010 and the balance increased to reflect the book value of all operational assets. This reserve is amortised back to the Capital Expenditure Reserve in line with the depreciation charge.

(b) Capital Projects Fund

This fund was created during the Financial Year Ended 31st March 2010 to provide for the future Capital Expenditure requirements of the Trust.

Restricted funds

(a) Northumberland Street Sinking Fund

At the time of the sale of the freehold reversion in the premises in Northumberland Street occupied by C & A Modes, the Trustees, under an order of the Charity Commissioners sealed on 7 July 1980, were instructed to set aside investments to the value of £191,879.09 in such a way that the dividends on these investments should be accumulated for 80 years, the then unexpired term of the subsisting leases. The purpose of this fund is to recoup, out of income, the sum of £6,300,000 which is the difference between the sales proceeds of the reversion (£1,700,000) and the estimated value of the property with vacant possession as at the date of the sale (£8,000,000).

Endowment funds

(a) Permanent Endowment Fund

The Permanent Endowment Fund is a form of restricted fund and represents those assets which must be held permanently by the Trust, principally investments. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the Trust and is included as unrestricted income. All costs relating to Permanent Endowment Assets are charged to this Fund.

19 Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Endowment	Total
	£000	£000	£000	£000	£000
Fixed assets	-	6,996.2	5,528.4	30,576.6	43,101.2
Cash and current asset investments	549.2	2,148.5	-	535.7	3,233.4
Other current assets/liabilites	(49.2)	(28.2)	-	10.2	(67.2)
Creditors due in more than one year	-	-	-	-	-
	500.0	9,116.5	5,528.4	31,122.5	46,267.4

20 Pension Commitments

The Trust participates in the Tyne and Wear Pension Fund for its employees.

Under the definitions set out under Financial Reporting Standard 17 (Retirement Benefits), the Tyne and Wear Pension Fund is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions as if it were a defined contributions scheme.

Pension contributions payable for the year ended 31st March 2021 amounted to £20,562 (2020: £57,364) and there were 2 employees (2020: 3) participating in the scheme during the year.

Under the 2019 scheme valuation, no additional deficit contributions are payable (2020: £34,500)

21 Capital Commitments

In 2021 the Trust entered into a contract with Meldrum Construction Services Ltd for the refurbishment of vacant Mary Magdalene Bungalows. The estimated cost is £169,500

22 Related party transactions:

A number of trustees have relatives or members of their Freemen Companies receiving sheltered housing provided by the charity. All of these beneficiaries qualify for housing under the charity eligibility criteria. All transactions with these related parties were at arms length.

23 Control

The charity is controlled by the Board of Trustees.