

Joseph Brough Charitable Trust  
Annual financial statements  
for the year ended 31 March 2021

Registered Charity Number 227332

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for the year ended 31 March 2021  
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# **Joseph Brough Charitable Trust**

## **Trustee and advisers for the year ended 31 March 2021**

### **Trustee**

Community Foundation serving Tyne & Wear and Northumberland

### **Bankers**

Lloyds Bank plc  
Grey Street Branch  
102 Grey Street  
Newcastle upon Tyne  
NE99 1SL

### **Independent auditors**

MHA Tait Walker  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

### **Investment managers**

Investec Wealth & Investment Limited  
2 Gresham Street  
London  
EC2V 7QP

### **Principal office**

Philanthropy House  
Woodbine Road  
Gosforth  
Newcastle upon Tyne  
NE3 1DD

# Joseph Brough Charitable Trust

## Trustee's Annual Report for the year ended 31 March 2021

The following information about the financial year ended 31 March 2021 is presented in the form required by the Charity Commission and is in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), 2019.

### Structure, governance and management

The Trust is governed by a Deed of Trust dated 6 December 1940 and is a registered charity (charity number 227332). It has a corporate Trustee, the Community Foundation serving Tyne & Wear and Northumberland. Details of governance and management regarding the Trustee board and executive officers of the group can be found in the financial statements of the Trustee. The Charity is registered in the United Kingdom.

### Objectives and activities

The objectives of the Trust are to provide grants to charitable organisations helping people in need in the historic counties of Northumberland and Durham (currently Northumberland, Tyne & Wear, Durham and part of Cleveland). It gives priority to appeals linked to the Methodist Church, as the settlor was an active Methodist, and through Brough Benevolent Association also helps a large number of individuals in need. During the year 11 charities or organisations have benefited from grants from Joseph Brough Charitable Trust with total grants awarded of £78,447. The day to day running of the charity is carried out by its Trustee and during the year the charity paid £5,000 to its Trustee for administration costs.

The Joseph Brough Charitable Trust exists and operates for the public benefit. Through its grantmaking it works to help people in need in the historic counties as described above. The Trustee confirms that it has referred to the guidance produced by the Charity Commission on public benefit when reviewing the Charity's aims and objectives and in planning future activities and grantmaking and is satisfied that the requirements have been met.

### Achievements and performance

During the financial year ended 31 March 2021 the Trustee awarded £78,447 of new grants, which are listed in Note 5 of the financial statements.

### Investment policy

The trust deed provides power of investment and the assets of the Trust are invested by the investment managers who at the year end were Investec Wealth & Investment Limited. The Trustee appoints an Investment Committee made up of directors of Community Foundation serving Tyne & Wear and Northumberland and other co-opted members. The Investment Committee meet with the investment managers, usually on a quarterly basis, and monitor their performance in relation to a recognised charity benchmark. Clear guidelines have been agreed in relation to asset allocation and these are also reviewed by the Investment Committee on a quarterly basis or when the market has been particularly volatile. Performance information for the year showed the funds increased by 25.7% which was ahead of benchmark, ARC Charity Steady Growth.

### Financial Review

During the current financial year, the Trust had net income of £361,791 (2020: expenditure £194,421) after addition of investment gains of £408,381 (2020 losses of £232,564).

### Risk Management

The Trustee has examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to manage these risks.

# Joseph Brough Charitable Trust

## Trustee's Annual Report for the year ended 31 March 2021 (continued)

### Reserves

Due to the nature of the trust fund it is the policy to pay its income out in grants and therefore reserves are kept to a minimum. The Trust only awards grants from income actually received, so although income will be reduced in the coming year commitments have not been made beyond those that are covered by income.

### Plans for future periods

The Trustee plans to continue to use available funds to provide grants to charitable organisations helping people in need in the historic counties of Northumberland and Durham.

### Statement of the trustee's responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year. Under that law the Trustee has prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under that law the Trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed. It is 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.

### Statement as to disclosure of our auditors

In so far as the Trustee is aware at the time of approving the annual report:

- there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the charity's auditors are unaware; and
- the trustee, having made enquiries of its directors and the charity's auditors that they ought to have individually taken, has taken all steps that it is obliged to take as a trustee in order to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

### Independent Auditors

MHA Tait Walker have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

Approved by the Trustee and signed on its behalf:

  
Fiona Cruickshank OBE

Chair and Director for Community Foundation serving Tyne & Wear and Northumberland  
21 September 2021

# Joseph Brough Charitable Trust

## Independent Auditors' Report to the Member of Joseph Brough Charitable Trust

### Opinion

We have audited the financial statements of Joseph Brough Charitable Trust (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2021 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'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 trustee's 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 the 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 issues.

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

### Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual 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.



# Joseph Brough Charitable Trust

## Independent Auditors' Report to the Member of Joseph Brough Charitable Trust (continued)

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the trustee

As explained more fully in the statement of trustee's responsibilities set out on page 3, the trustee is 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 trustee determines 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 trustee is 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's responsibilities for the audit of the financial statements

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

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

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

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors report.

# Joseph Brough Charitable Trust

## Independent Auditors' Report to the Member of Joseph Brough Charitable Trust (continued)

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of MHA Tait Walker

Chartered Accountants and Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 22-9-2021

MHA Tait Walker is a trading name of Tait Walker LLP.



# Joseph Brough Charitable Trust

## Statement of financial activities for the year ended 31 March 2021

	Note	Restricted funds £	Endowment fund £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations		62	-	62	-
Investment income	4	43,945	-	43,945	60,702
<b>Total income and endowments</b>		44,007	-	44,007	60,702
<b>Expenditure on:</b>					
Investment management costs		-	7,120	7,120	7,529
Charitable activities	5	83,477	-	83,477	15,030
<b>Total expenditure</b>		83,477	7,120	90,597	22,559
Gains/(losses) on investment assets		-	408,381	408,381	(232,564)
<b>Net income/(expenditure) and movement on funds</b>		(39,470)	401,261	361,791	(194,421)
Total funds brought forward		73,969	1,774,618	1,848,587	2,043,008
Total funds carried forward		34,499	2,175,879	2,210,378	1,848,587

All of the above results are derived from continuing operations. All gains and losses which were incurred in the current year and prior year are included above. The comparative figures for each fund are shown in the notes to the accounts (note 2).

# Joseph Brough Charitable Trust

## Balance sheet as at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed asset investments</b>	<b>6</b>		<b>2,114,467</b>		<b>1,664,971</b>
<b>Current assets</b>					
Debtors	7	4,919		7,227	
Cash at bank and in hand		90,992		184,738	
<b>Total current assets</b>		<b>95,911</b>		<b>191,965</b>	
<b>Creditors: amounts falling due within one year</b>	<b>8</b>	<b>-</b>		<b>(8,349)</b>	
<b>Net current assets</b>			<b>95,911</b>		<b>183,616</b>
<b>Total assets less current liabilities</b>			<b>2,210,378</b>		<b>1,848,587</b>
<b>The funds of the Charity:</b>					
Endowment funds	9		<b>2,175,879</b>		<b>1,774,618</b>
Restricted income funds	9		<b>34,499</b>		<b>73,969</b>
<b>Total charity funds</b>			<b>2,210,378</b>		<b>1,848,587</b>

The financial statements on pages 7 to 14 were approved by the Trustee on 21 September 2021 and were signed on its behalf by:



Paul Farquhar

Treasurer and Director for Community Foundation serving Tyne & Wear and Northumberland  
Trustee

# Joseph Brough Charitable Trust

## Notes to the financial statements for the year ended 31 March 2021

### 1 Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of listed investments. 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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Joseph Brough Charitable Trust meets the definition of a public benefit entity under FRS 102. The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern.

#### b) Cash flow

The Trust is a small entity and, as such, it has taken advantage of the exemption from preparing a cash flow statement under the terms of Section 7 of Financial Reporting Standard 102.

#### c) Income and expenditure

Investment income, deposit interest and expenditure are included in the financial statements on an accruals basis.

#### d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Grant commitments are accounted for on an accruals basis, once approved by the Trustee.

#### e) Charitable activities

Costs of charitable activities include grants made and the administration costs associated with grantmaking.

#### f) Governance costs

Governance costs of the Trust have been met by its Trustee.

#### g) Investments

Investments are stated at market value at the year end and any gain or loss on investments is taken to the Statement of Financial Activities.

#### h) Permanent endowment and restricted funds

The permanent endowment fund is the Joseph Brough Charitable Trust Reserve. The income from this is applied to the restricted fund and utilised in accordance with the terms of the endowment, which states that the monies may be used to further the objects of the charity.

#### i) Debtors

Dividends and interest receivable are stated at the amount due to be received.

# **Joseph Brough Charitable Trust**

## **Notes to the financial statements for the year ended 31 March 2021 (continued)**

### **1 Accounting Policies (continued)**

#### **j) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

#### **k) Creditors and provisions**

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

#### **l) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no such judgements within the financial statements.

# Joseph Brough Charitable Trust

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 2 Statement of Financial Activities prior year fund comparatives

	Restricted funds £	Endowment fund £	Total 2020 £
<b>Income and endowments from:</b>			
Investment income	60,702	-	60,702
<b>Total income and endowments</b>	60,702	-	60,702
<b>Expenditure on:</b>			
Investment management costs	-	7,529	7,529
Charitable activities	15,030	-	15,030
<b>Total expenditure</b>	15,030	7,529	22,559
Losses on investment assets	-	(232,564)	(232,564)
<b>Net income and movement on funds</b>	45,672	(240,093)	(194,421)
Fund balances brought forward	28,297	2,014,711	2,043,008
<b>Fund balances carried forward</b>	73,969	1,774,618	1,848,587

### 3 Taxation

The Trust is a registered charity and its investment income is not subject to income, capital gains or corporation tax provided that the income generated is applied to charitable purposes.

### 4 Investment income

	2021 £	2020 £
Dividends and interest from endowment fund investments	43,945	60,702

# Joseph Brough Charitable Trust

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 5 Charitable activities

The Joseph Brough Charitable Trust undertakes its charitable activities through grantmaking.

	2021	2020
	£	£
Grants payable	78,447	10,000
Direct costs – grants administration fee	5,000	5,000
Direct costs – bank charges	30	30
	83,477	15,030
Grants awarded during the year ended 31 March 2021 were:		£
Comfrey Project		10,000
County Durham Community Foundation		3,000
East Howdon Community Association		2,500
Greggs Foundation		7,000
Hospitality and Hope		9,226
Lambton Street Youth & Community Hub		10,000
Meadow Well Connected Ltd		3,500
Phoenix Detached Youth Project		11,721
ShARP (Shiney Advice and Resource Project)		10,000
South Tyneside Citizens Advice Bureau		10,000
Sunderland Headlight		1,500
<b>Total grants awarded 2021</b>		<b>78,447</b>
Total grants awarded 2020		10,000

The Trust does not employ any staff (2020: none) and therefore has incurred no staff costs during the year (2020: £nil).

The audit fees are paid by the parent charitable company and are included in the consolidated accounts.



# Joseph Brough Charitable Trust

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 6 Fixed asset investments

	Listed investments £
Market value at 1 April 2020	1,664,971
Additions	279,183
Disposals	(238,068)
Realised losses on disposal	(2,326)
Unrealised gains on revaluation	410,707
<b>Market value at 31 March 2021</b>	<b>2,114,467</b>
<b>Cost at 31 March 2021</b>	<b>1,571,634</b>
Cost at 31 March 2020	1,561,451

Listed investments are summarised as follows:-

	2021 Market Value £	2020 Market Value £
UK Fixed Interest	157,450	153,546
UK Equities	742,727	609,471
Property	88,737	102,627
Overseas Equities	896,617	698,236
Collective Investment Schemes	228,936	101,091
	<b>2,114,467</b>	<b>1,664,971</b>

The following investments accounted for more than 5% of the total:

Vanguard Funds S & P 500 plc - £224,475  
Findlay Park Funds American - £109,893  
UBS Asset Management US Equity- £112,039

### 7 Debtors

	2021 £	2020 £
Dividends and Interest Receivable	4,919	7,227

## Joseph Brough Charitable Trust

### Notes to the financial statements for the year ended 31 March 2021 (continued)

#### 8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Grants payable	-	8,349

#### 9 Analysis of net assets between funds

	Restricted funds	Endowment funds	2021 Total
	£	£	£
Investments	-	2,114,467	2,114,467
Current assets	34,499	61,412	95,911
Current liabilities	-	-	-
Total net assets	34,499	2,175,879	2,210,378

#### 10 Transactions with the Trustee and Related parties

During the year the Trust made payments totalling £5,000 (2020: £5,000) to its Trustee for administrative services provided in relation to the payment of grants.

#### 11 Ultimate controlling party

The ultimate parent undertaking and controlling party is Community Foundation serving Tyne & Wear and Northumberland, a company incorporated in England whose company number is 02273708. The consolidated financial statements of Community Foundation serving Tyne & Wear and Northumberland can be obtained from Philanthropy House, Woodbine Road, Gosforth, Newcastle upon Tyne, NE3 1DD.

Community Foundation serving Tyne & Wear and Northumberland is the smallest and the largest group to consolidate the organisation's financial results.