

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
(THE TOWN MOOR CHARITY)
REPORT AND FINANCIAL STATEMENTS
MICHAELMAS 2020**

Registered charity number: 227620

**JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne**

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE**

CONTENTS

Page

1	Reference and administrative details
2 to 5	Report of the Committee of Stewards
6 to 8	Independent auditors' report
9	Statement of financial activities
10	Balance sheet
11	Statement of cash flows
12 to 20	Notes to the financial statements

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE**

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman:	HD Wilson Sir Leonard R Fenwick CBE	(appointed 12 October 2020) (resigned 12 October 2020)
Vice Chairman:	NB Atkinson HD Wilson	(appointed 12 October 2020) (resigned 12 October 2020)
Stewards Committee:	F H Alder H Alder P Anderson C G Atkinson N B Atkinson A R Bainbridge H Birkett Sir Leonard R Fenwick CBE K Hall J Johnson H D Wilson P Powell D G Waugh FCA	(resigned 7 October 2019) (resigned 7 October 2019) (resigned 12 October 2020) (appointed 5 August 2020)
Hon Treasurer	D G Waugh FCA	
Principal Office:	Moor Bank Lodge Claremont Road Newcastle upon Tyne NE2 4NL	
Auditors:	Joseph Miller Milburn House Dean Street Newcastle upon Tyne NE1 1LE	
Bankers:	Lloyds Bank Plc Grey Street Newcastle upon Tyne NE1 6AG	
Solicitors:	Samuel Phillips Law Firm Gibb Chambers 52 Westgate Road Newcastle upon Tyne NE1 5XU	
Investment Managers:	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET	

STEWARDS OF THE INCORPORATED COMPANIES OF THE FREEMEN OF NEWCASTLE UPON TYNE

REPORT OF THE COMMITTEE OF STEWARDS

The Stewards Committee are pleased to present their report, together with the financial statements of the Charity for the year ended Michaelmas 2020.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with the accounting policies set out in note 1, the Charities Act 2011, the Charity's governing document and the Statement of Recommended Practice 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).

Structure, governance and management

Governing document

The Charity is registered with the Charity Commission as The Town Moor Charity, Registration Number 227620. The Stewards Committee of the Freemen of Newcastle upon Tyne manages the affairs of the Freemen of Newcastle upon Tyne in accordance with the governing documents; the Newcastle upon Tyne Town Moor Act 1988 and the Rules and Orders of the Stewards of the Incorporated Companies of the Freemen of the City of Newcastle upon Tyne.

Recruitment and appointment of Stewards Committee

The Stewards Committee is the body of trustees appointed by annual election each Michaelmas Guild. Any Steward of a Company of Freemen is eligible to stand for election. There are 28 active Companies of Freemen with 85 Company Stewards, who represent 1,898 Freemen.

At the Michaelmas Guild, the Stewards Committee consisting of not less than 9 and not more than 12 Stewards shall be elected under the authority of Section 6 of the Newcastle upon Tyne Town Moor Act 1988. Each Steward elected to the Stewards Committee shall remain a member of the Committee until the next Michaelmas Guild or until earlier resignation, even should he cease to be a Steward in the interim period. Should a member of the Stewards Committee die or resign from the Committee then the Committee has the power to co-opt any Steward to fill any casual vacancy until the Michaelmas Guild next following such vacancy.

Induction and support for trustees in exercising duties

The induction and training of trustees is dealt with according to individual need and supported by an Information Pack outlining the role and responsibilities of being a trustee as well as information parochial to the affairs and good management of the Charity.

Organisation

The Stewards Committee acts as an executive body and is accountable to the overall body of Freemen to whom they report on matters of operational and strategic significance in relation to the Town Moor three times a year at the Easter, Michaelmas and Christmas Guilds. The Stewards Committee hold a full committee meeting each month, a sub Committee also meets on a monthly basis and other ad hoc meetings are held as and when required. The Town Moor Superintendent is appointed by the Stewards Committee to effectively co-ordinate the day to day operational affairs of the organisation in direct working liaison with designated trustees.

Related parties

1. Town Moor Money Charity (linked charity)

Initially this was part of the Town Moor Charity, however in 1967 the Charity Commission advised setting up a separate Charity and this was encapsulated in the provision of The Charities (Town Moor Money Charity, Newcastle upon Tyne) Order 1970. The income of the Town Moor Money Charity is derived from the letting of Intakes. The Stewards Committee are the body responsible for allocation of land and negotiation of rents for Intake areas. An Intake is an area of land not currently used for grazing as specified in the Newcastle upon Tyne Town Moor Act 1988 for which the overall area set aside for such purposes must not exceed 100 acres in total. In the year ended Michaelmas 2018, permission was granted by the Charity Commission to treat the charity as a linked charity for registration and accounting purposes. The funds of the charity are reported within restricted funds within these financial statements. The Stewards of the Incorporated Companies of the Freemen of Newcastle upon Tyne is the reporting charity.

2. St Mary Magdalene and Holy Jesus Trust

The Freemen have a direct link with this Trust in that members of the Stewards Committee serve on the Board of trustees along with representatives of the City Council and other care providing organisations. The Trust, as an Alms House charity, provides an allocated number of bungalows for Freemen, their widows and daughters, on land which formed part of the Town Moor.

STEWARDS OF THE INCORPORATED COMPANIES OF THE FREEMEN OF NEWCASTLE UPON TYNE

REPORT OF THE COMMITTEE OF STEWARDS (CONTINUED)

Risk management

The trustees actively review the major risks which the Charity faces on a regular basis and believe that by maintaining reserves combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

The Stewards Committee adopts schemes and policies with regard to ensuring the effective maintenance of the Newcastle Town Moor, overseeing investments and income generated to fund the daily management and improvement of the Town Moor, all of which is aimed at securing the wellbeing for grazing for future generations of Freeman and safeguarding the open space for the citizens of Newcastle to enjoy traditional rights of 'air and exercise', in accordance with the Newcastle upon Tyne Town Moor Act 1988.

In essence, the strategic direction of the Charity focuses on the Stewards Committee maintaining and successfully managing the Town Moor for grazing, albeit in an urban environment, whilst also looking to the confidence of the general public in this major environmental asset. Under the Act, the Town Moor is safeguarded from encroachment and risk of development by the continuation of grazing therefore land management issues centre around sustaining proper standards of agricultural cultivation and maintenance of boundaries whilst trying to balance bio-diversity. The overriding aim is to maintain the required standard within budget and which is dependent upon the income in any fiscal year.

In planning and carrying out the Charity's activities for the year, the trustees have considered the guidance produced by the Charities Commission on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and performance

- All statutory commitments were consistently met, in particular the overriding obligation to effectively graze the Town Moor herd of cattle.
- Working practices and meetings were amended to reflect local and national COVID-19 regulations and take into consideration 'Covid-safe' operation, including social-distancing.
- The Town Moors were maintained and kept available to the public for air-and-exercise, consistently maintaining public confidence in acting as the guardian of this much cherished open space.
- Environmental projects were undertaken in respect of fencing and drainage improvements.
- Reinstatement of the Nuns Moor South (former Brighton Grove Allotments) site was completed.
- Due to the prevailing Government restrictions the Easter Guild was not able to take place. As the Guildhall could not enable a Covid-safe environment Michaelmas Guild was held at the Eagles Community Arena, numbers were limited to the Government specified maximum of 30 persons but due to the City Council policy of cancelling all the Lord Mayor's public engagements, the Open Guild could not take place.
- The cancellation of all public events on the Town Moors caused the charity to report an operating deficit which was more than offset by investment gains.

Financial review

During the year, the Charity generated net income, after net gains on investments, of £223,248 (2019: £269,207) as disclosed in the statement of financial activities on page 9. The total funds at Michaelmas 2020 amounted to £4,260,885 (2019: £4,037,637).

The principal sources of income comprise rents, wayleaves, lettings and investment income and in accordance with the provisions of the Newcastle upon Tyne Town Moor Act 1988, the Stewards Committee applies the income to the improvement and management of the Newcastle Town Moor.

Investment policy

The Charity's investment policy is to have a diverse base to spread risk whilst simultaneously aiming for capital appreciation at least equivalent to inflation and an income return sufficient to meet future capital expenditure needs and ongoing and cyclical operational costs not recovered from income from operations.

The investments held by the Charity are quoted investments from which income of £85,355 (2019: £83,892) was received during the year. The quoted investments are mainly professionally managed by CCLA Investment Management Limited (Charities Official Investment Funds). The fair value of the investments was £2,818,417 (2019: £2,741,203). The trustees consider the investment return to be in line with the investment objectives set.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE**

REPORT OF THE COMMITTEE OF STEWARDS (CONTINUED)

Reserves policy

The trustees have examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The trustees consider that the reserves held are sufficient to generate income to meet the costs of the maintenance, reinstatement and management if there was a drop in rental or other income from the Town Moor. The free reserves at Michaelmas 2020 were £351,710 (2019: £350,693).

The restricted reserves of the Charity are held specifically under the Newcastle upon Tyne Town Moor Act 1988 to be used to finance improvements to the Town Moor.

The total restricted funds of the linked charity at Michaelmas 2020 were in deficit by £39,442 (Michaelmas 2019: £56,391). Steps are being taken by the linked charity trustees to reduce the deficit by decreasing costs and reviewing the funding stream.

Plans for future period

Taking Covid-19 restrictions into consideration funding provision is being set aside for capital and revenue schemes including:

- Continuation of the programme of enhancing gateway access and security.
- Ongoing fence-line replacement/enhancement, including A167M boundary fence-line and Hoppings site demarcation fence.
- Drainage maintenance/enhancement on main Town Moor.
- Ongoing management of events and fairs on Moors.
- Environmental improvement schemes, including tree planting.
- Upgrade/enhancement to Administration, Storage and Agricultural infrastructure at Moor Bank.
- Periodic maintenance of residential property at Moor Bank Lodge and Blue House.
- Enhanced communications mechanisms, including, magazine and online presence.

The trustees anticipate difficult operating conditions will continue during 2020/21 and are budgeting for an expected overall operating deficit as a result of planned special account expenditure. The charity's free reserves will be sufficient to meet the operating costs of the charity.

Trustees' responsibilities in relation to the financial statements

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and application of resources of the Charity for that year. In preparing these financial statements, the trustees are required to:

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

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 Reports) Regulations 2008 and the provisions of the governing documents. 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.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE**

REPORT OF THE COMMITTEE OF STEWARDS (CONTINUED)

Trustees' responsibilities in relation to the financial statements *(continued)*

In so far as the trustees are aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Stewards Committee

H D Wilson
Chairman
Date: 9 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF STEWARDS OF THE INCORPORATED COMPANIES OF THE FREEMEN OF NEWCASTLE UPON TYNE

Opinion

We have audited the financial statements of The Stewards of the Incorporated Companies of the Freemen of Newcastle upon Tyne, the Charity, for the year ended Michaelmas 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 United Kingdom and republic of Ireland (United Kingdom Generally Accepted Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at Michaelmas 2020 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 our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

We have nothing to report in this regard.

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:

INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF STEWARDS OF THE INCORPORATED COMPANIES OF THE FREEMEN OF NEWCASTLE UPON TYNE

- the information given in the financial statements is inconsistent in any material respect with the Report of the Committee of Stewards; 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 trustees' responsibilities statement set out on pages 4 and 5, 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 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 hereunder.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF STEWARDS OF THE
INCORPORATED COMPANIES OF THE FREEMEN OF NEWCASTLE UPON TYNE**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of the audit 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 trustees those matters we are required to state to them in an independent 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Miller
Statutory Auditor
Floor A
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE
Date: 12 March 2021

Joseph Miller is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor under Section 1212 of the Companies Act 2006.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR TO MICHAELMAS 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Income from :					
Grants and donations		5,000	1,948	6,948	-
Charitable activities	3	342,644	37,782	380,426	604,869
Other trading activities	4	5,792	-	5,792	8,531
Investments	5	93,697	9	93,706	96,653
Other	6	61,469	-	61,469	139,324
Total income		508,602	39,739	548,341	849,377
Expenditure on:					
Charitable activities	7	379,517	22,790	402,307	740,610
Total expenditure		379,517	22,790	402,307	740,610
Net income		129,085	16,949	146,034	108,767
Net gains on investments	13	43,702	33,512	77,214	160,440
Net income and movement in funds		172,787	50,461	223,248	269,207
Reconciliation of funds					
Total funds brought forward		2,723,425	1,314,212	4,037,637	3,768,430
Total funds carried forward	17	2,896,212	1,364,673	4,260,885	4,037,637

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

The notes on pages 12 to 20 form part of these financial statements

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
BALANCE SHEET
AS AT MICHAELMAS 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	24,185	28,067
Inalienable and heritage assets	12	-	-
Investments	13	2,818,417	2,741,203
		<u>2,842,602</u>	<u>2,769,270</u>
Current assets			
Biological assets	14	12,520	22,150
Debtors	15	234,565	220,099
Cash at bank and in hand		2,463,736	2,442,686
		<u>2,710,821</u>	<u>2,684,935</u>
Creditors:			
Amounts falling due within one year	16	(1,292,538)	(1,416,568)
Net current assets		<u>1,418,283</u>	<u>1,268,367</u>
Net assets		<u>4,260,885</u>	<u>4,037,637</u>
Funds:			
Unrestricted	17a	2,896,212	2,723,425
Restricted	17b	1,364,673	1,314,212
Total funds	17	<u>4,260,885</u>	<u>4,037,637</u>

The financial statements were approved by the Stewards Committee on 9 March 2021 and signed on its behalf by:

H D Wilson

The notes on pages 12 to 20 form part of these financial statements

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
STATEMENT OF CASH FLOWS
FOR THE YEAR TO MICHAELMAS 2020**

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash (used in) provided by operating activities (a)	<u>(64,910)</u>	<u>148,466</u>
Cash flows from investing activities:		
Dividends and interest from investments	93,706	96,653
Purchase of plant and equipment	(7,746)	(15,456)
Proceeds from sale of plant and equipment	-	4,200
	<u>85,960</u>	<u>85,397</u>
Change in cash in the year ended Michaelmas 2020	21,050	233,863
Cash at Michaelmas 2019	2,442,686	2,208,823
Cash at Michaelmas 2020	<u><u>2,463,736</u></u>	<u><u>2,442,686</u></u>
Cash at bank	2,439,041	2,419,669
Cash at bank - linked charity	<u>24,695</u>	<u>23,017</u>
	<u><u>2,463,736</u></u>	<u><u>2,442,686</u></u>
	2020	2019
	£	£
a) Reconciliation of net income to net cash flow from operating activities		
Net movement in funds for the year ended Michaelmas 2020 (as per the statement of financial activities)	223,248	269,207
Adjustments for:		
Depreciation charges	11,628	10,211
Profit on disposal of tangible fixed assets	-	(4,009)
Gains on investments	(77,214)	(160,440)
Dividends and interest from investments	(93,706)	(96,653)
Decrease in biological assets (livestock)	9,630	39,957
Increase in debtors	(14,466)	(47,523)
(Decrease) increase in creditors	(124,030)	137,716
Net cash (used in) provided by operating activities	<u><u>(64,910)</u></u>	<u><u>148,466</u></u>

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

1. Accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention with items recognised at cost unless otherwise stated. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Preparation of the accounts on a going concern basis

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

(c) Fund accounting

Unrestricted funds

i) Income and expenditure

The income and expenditure fund is credited with income arising from the Charity's activities and is charged with the costs involved in the maintenance of the Town Moor and the Charity's governance costs.

Designated funds

i) General reserve

The general reserve represents funds that are invested to provide income to meet the costs of the Charity.

ii) Special projects reserve

The special projects reserve represents funds received to be used to finance the Charity's proportion of agreed improvements to be undertaken with the City of Newcastle upon Tyne and the Freemen.

Restricted funds

i) Capital reserve

The capital reserve represents funds received under the Newcastle upon Tyne Town Moor Act 1988 which are to be used to finance improvements to the Town Moor.

ii) Town Moor Money Charity (linked charity)

The Town Moor Money Charity was established in accordance with The Charities (Town Moor Money Charity, Newcastle upon Tyne) Order 1970 and permission has now been granted by the Charities Commission to treat it as a linked charity for registration and accounting purposes.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

1. Accounting policies (continued)

(d) Income recognition

All income is included in the statement of financial activities when the Charity has entitlement to the income, any performance conditions attached to the item(s) of income has been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Gifts in kind are included at valuation where material. Investment income is recognised on a receivable basis. To the extent that it relates to future periods, rental income is deferred and included within creditors in the balance sheet.

(e) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the Charity. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

Support costs are allocated on the basis of staff time spent on each activity and are shown in note 7 to the financial statements.

(f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 (plant and equipment) and £100 (office equipment and fixtures and fittings) are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their estimated useful lives as follows:

Plant and machinery	5 years straight line
Office equipment	3 years straight line
Fixtures and fittings	15% reducing balance

(g) Inalienable and heritage assets

As explained in note 12, inalienable and heritage assets have not been capitalised or depreciated.

(h) Investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

(i) Biological assets

Biological assets consisting of livestock are valued at cost less any accumulated impairment losses.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

1. Accounting policies (continued)

(j) Cash at bank

Cash at bank includes current and deposit instant access accounts, a fixed term deposit and an instant access COIF Charities Deposit Fund 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. Creditors and provisions are normally recognised at their settlement amount.

(l) Financial instruments

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

(m) Pensions

The Charity makes contributions to a NEST scheme for all qualifying employees. Employees are automatically enrolled on the pension scheme unless the Charity is notified by the employee that they wish to opt out. The cost of these contributions is charged to the Statement of Financial Activities when payable.

2. Net income

2020
£ **2019**
£

Net income for the year is stated after charging:

Auditors' remuneration:

For audit services	3,480	5,773
For accountancy and other services	5,518	10,555
Depreciation of tangible fixed assets	11,628	10,211
(Profit) on disposal of fixed assets	-	(4,009)

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Rents, intakes, wayleaves and lettings				
Newcastle upon Tyne Town Moor Act 1988	129	-	129	129
Lettings	-	-	-	185,863
Rents and wayleaves	291,797	-	291,797	316,950
Rents - linked charity intakes	-	37,782	37,782	20,331
Town Moor herd				
Sales of livestock	46,528	-	46,528	77,427
Agricultural grants	4,190	-	4,190	4,169
	342,644	37,782	380,426	604,869

4 Income from other trading activities

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Administration fee (stint tickets)	4,200	-	4,200	4,125
Miscellaneous	1,592	-	1,592	4,406
	5,792	-	5,792	8,531

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

5 Income from investments	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Investments	85,355	-	85,355	83,892
Bank interest	8,342	-	8,342	12,745
Bank interest - linked charity	-	9	9	16
	93,697	9	93,706	96,653
6 Other income	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Contribution towards Special Projects	61,469	-	61,469	124,324
Contribution to Nuns Moor reinstatement	-	-	-	15,000
	61,469	-	61,469	139,324
7 Total expenditure	Charitable activities	Governance costs	2020	2019
	£	£	£	£
a) Charity				
Direct costs				
Staff costs, fees and expenses	100,904	9,797	110,701	106,295
Town Moor maintenance and reinstatement	128,888	-	128,888	293,619
Livestock costs	42,835	-	42,835	82,959
Raceweek Festival costs	4,978	-	4,978	131,937
General office costs	42,581	45	42,626	52,528
Depreciation	11,628	-	11,628	10,211
Profit on disposal of fixed assets	-	-	-	(4,009)
Legal and professional fees	1,287	-	1,287	1,738
Audit and accountancy fees	4,728	3,480	8,208	15,288
Guild event and expenses	891	6,163	7,054	9,090
Contribution to Incorporated Company expenses	3,240	-	3,240	-
Allocated support costs				
Staff costs	-	18,072	18,072	17,025
	341,960	37,557	379,517	716,681
b) Linked charity				
Direct costs				
Grants to individuals (Note 8)	22,700	-	22,700	23,800
Outings	-	-	-	104
General office costs	90	-	90	25
	22,790	-	22,790	23,929
	364,750	37,557	402,307	740,610
8 Linked charity - grants to individuals			2020	2019
			£	£
December 2019	115 beneficiaries		11,500	12,200
June 2020	112 beneficiaries		11,200	11,600
			22,700	23,800

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

9 Staff costs	2020	2019
	£	£
Salaries	107,029	99,702
Social security costs	5,669	6,276
Pension contributions	2,714	1,381
	<hr/>	<hr/>
	115,412	107,359
	<hr/>	<hr/>
The average number of employees, analysed by function was:		
Town Moor maintenance and reinstatement	3	3
Administrative staff	1	1
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

There are no employees with emoluments above £60,000 per annum (2019: - None).

10 a) Trustees' remuneration and expenses and key management personnel

The Honorary Treasurer received £4,000 (2019: £3,884) for his duties from the Charity. £1,750 of this amount was donated to the linked charity.

The trustees receive allowances to cover expenses incurred in performance of their duties. All trustees received such allowances during the year. The total amount paid to the trustees was £5,000 (2019: £16,000). The aggregate amount of travel, subsistence and business expenses reimbursed to one trustee amounted to £797 (2019: £97 to two trustees).

The Charity considers its key management personnel comprise the trustees.
Other than the above, the trustees received no remuneration from the Charity (2019 : None).

10 b) Related party transactions

At Michaelmas 2020, £70,492 (2019: £72,892) was included within other debtors in note 15 in respect of the amount due from the linked charity.

11 Tangible assets

	Plant and machinery £	Office equipment £	Fixtures and fittings	Total £
Cost				
At Michaelmas 2019	164,007	29,404	1,110	194,521
Additions	7,128	618	-	7,746
Disposals	-	(7,956)	-	(7,956)
	<hr/>	<hr/>	<hr/>	<hr/>
At Michaelmas 2020	171,135	22,066	1,110	194,311
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At Michaelmas 2019	141,455	24,402	597	166,454
Charge for year	7,354	4,197	77	11,628
On disposals	-	(7,956)	-	(7,956)
	<hr/>	<hr/>	<hr/>	<hr/>
At Michaelmas 2020	148,809	20,643	674	170,126
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At Michaelmas 2020	22,326	1,423	436	24,185
	<hr/>	<hr/>	<hr/>	<hr/>
At Michaelmas 2019	22,552	5,002	513	28,067
	<hr/>	<hr/>	<hr/>	<hr/>

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

12 Inalienable and heritage assets

Under the terms of the Newcastle upon Tyne Town Moor Act 1988, the Charity is entitled to half of the rental, other income and capital receipts arising from the Town Moor, to be applied for the maintenance and improvement of the Town Moor, and in defraying the general expenses of the Stewards Committee. Income from grants of intake leases are wholly receivable by the Charity. The Charity is also entitled under the Act to half of any capital monies arising, to be used to finance improvements to the Town Moor or to be invested until required.

Under the terms of the Newcastle upon Tyne Town Moor Act 1988 the linked charity is entitled to rents from the intakes which have been designated by the Stewards of the Incorporated Companies of the Freemen of Newcastle upon Tyne.

The trustees have not attributed a value in the financial statements to the above rights as significant costs would be involved which would not provide any useful benefit to the users of the financial statements.

The Charity also owns a Chairman's Chain of Office and a Vice Chairman's Medallion. These are irreplaceable originals to which no reliable cost or value can be attributed. A ring commemorating a victory acknowledging the rights of the Freemen, thus securing the future of the Town Moor at the instigation of the Newcastle upon Tyne Town Moor Act 1774, was acquired in 2003 at a cost of £3,411 and was written off during that year. In 2013, the Newcastle upon Tyne Lord Mayor's coach was purchased from Newcastle City Council jointly by the Charity and Shepherd Offshore for a cost of £25,000 each and was treated as an expense during that year. The objectives of the purchase were to retain this historic artefact within the City.

13 Investments

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Investments at fair value comprised :				
Listed investments				
At Michaelmas 2019	1,400,527	1,340,676	2,741,203	2,580,763
Net gains on investments	43,702	33,512	77,214	160,440
At Michaelmas 2020	1,444,229	1,374,188	2,818,417	2,741,203
Historical cost at Michaelmas 2020	805,735	806,523	1,612,258	1,612,258

All investments are carried at their fair value. Investment in fixed interest and investment fund securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

14 Biological assets

	2020 £
Reconciliation of carrying amount:	
At Michaelmas 2019	22,150
Purchases of livestock	31,770
Sales of livestock	(41,400)
At Michaelmas 2020	12,520

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

15 Debtors	2020	2019
	£	£
Rental and letting income	144,166	96,727
Rental and letting income - linked charity	7,567	23,571
Other debtors and prepayments	12,340	26,909
Other debtors - due from linked charity	70,492	72,892
	<hr/>	
	234,565	220,099
	<hr/>	

16 Creditors : amounts falling due within one year	2020	2019
	£	£
Creditors and accruals	1,220,832	1,310,698
Other taxes and social security	-	2,891
Other creditors - owed by linked charity	71,706	102,979
	<hr/>	
	1,292,538	1,416,568
	<hr/>	

17 Analysis of net assets between total funds	Fixed assets	Investments	Net current assets/(liabilities)	Total Funds
	£	£	£	£
Unrestricted funds				
Income and expenditure	24,185	107,283	351,710	483,178
Designated funds				
Special projects reserve	-	-	1,076,088	1,076,088
General reserve	-	1,336,946	-	1,336,946
Restricted funds				
Capital reserve	-	1,374,188	29,927	1,404,115
Linked charity	-	-	(39,442)	(39,442)
	<hr/>			
	24,185	2,818,417	1,418,283	4,260,885
	<hr/>			

Analysis of net assets between total funds - previous year

	Fixed assets	Investments	Net current assets	Total Funds
	£	£	£	£
Unrestricted funds				
Income and expenditure	28,067	107,283	350,693	486,043
Designated funds				
Special projects reserve	-	-	944,138	944,138
General reserve	-	1,293,244	-	1,293,244
Restricted funds				
Capital reserve	-	1,340,676	29,927	1,370,603
Linked charity	-	-	(56,391)	(56,391)
	<hr/>			
	28,067	2,741,203	1,268,367	4,037,637
	<hr/>			

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

17a Unrestricted funds : movements in the year	Income and expenditure	Special projects reserve	General reserve	Total
	£	£	£	£
Balance at Michaelmas 2019	486,043	944,138	1,293,244	2,723,425
Income	250,297	258,305	-	508,602
Expenditure	(253,162)	(126,355)	-	(379,517)
Net gains on investments	-	-	43,702	43,702
Balance at Michaelmas 2020	483,178	1,076,088	1,336,946	2,896,212

Unrestricted funds : movements in the year - previous year

	Income and expenditure	Special projects reserve	General reserve	Total
	£	£	£	£
Balance at Michaelmas 2018	422,923	894,909	1,210,080	2,527,912
Income	485,278	343,752	-	829,030
Expenditure	(422,158)	(294,523)	-	(716,681)
Net gains on investments	-	-	83,164	83,164
Balance at Michaelmas 2019	486,043	944,138	1,293,244	2,723,425

17b Restricted funds : movements in the year	Linked charity	Capital reserve	Total
	£	£	£
Balance at Michaelmas 2019	(56,391)	1,370,603	1,314,212
Income	39,739	-	39,739
Expenditure	(22,790)	-	(22,790)
Net gains on investments	-	33,512	33,512
Balance at Michaelmas 2020	(39,442)	1,404,115	1,364,673

Restricted funds : movements in the year - previous year

	Linked charity	Capital reserve	Total
	£	£	£
Balance at Michaelmas 2018	(52,809)	1,293,327	1,240,518
Income	20,347	-	20,347
Expenditure	(23,929)	-	(23,929)
Net gains on investments	-	77,276	77,276
Balance at Michaelmas 2019	(56,391)	1,370,603	1,314,212

Capital Reserve

Under the terms of the Town Moor Act capital sums received are to be used to finance improvements to the Town Moor or invested until required for that purpose.

Linked charity

The funds of the linked charity are separately identified as restricted funds. At Michaelmas 2020, the charity had net liabilities of £39,442 (Michaelmas 2019 £56,391). The deficit is being addressed by the trustees by continuing to reduce costs and review the funding stream.

**STEWARDS OF THE INCORPORATED COMPANIES OF THE
FREEMEN OF NEWCASTLE UPON TYNE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO MICHAELMAS 2020**

18 Capital and other commitments

At the balance sheet date the charity was committed to installing a new drainage system on the Town Moor at a total cost of £265,000.

No amount has been charged to the Statement of Financial Activities in the year to Michaelmas 2020.

19 Post balance sheet events

As a result of the COVID-19 pandemic, the trustees anticipate difficult operating conditions will continue during 2020/21 and public events on the Town Moor may not be able to go ahead. The trustees are budgeting for an overall deficit as a result of special account expenditure. However, they have sufficient reserves to be able to fund this.