

**Saint Andrew's Church Estate including the Charity of
Sir William Blackett the Younger**

Report and Financial Statements

Year ended 31 December 2020

Legal and Administrative Information

Constitution

The Saint Andrew's Church Estate including the Charity of Sir William Blackett the Younger is a charitable trust governed by its Trust Deed. It is a registered charity no 244047.

Trustees

The Trustees who served during the year were:

Revd Michael Hills

Mrs Rosemary Hall

Mrs Barbara Porter (from 25 November 2020)

Offices

St Andrew's Church
Newgate Street
Newcastle upon Tyne
NE1 5SS

Bankers

Lloyds
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Investment Advisors

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Solicitors

Nicholson and Morgan
14 Belle Villas
City Centre
Ponteland
Newcastle upon Tyne
NE20 9BE

Trustees' Report

for the year ended 31 December 2020

Trust

The Trust was established by a Trust Deed dated 7 April 1702 and was registered with the Charities Commission on 21 April 1967.

Charitable Objects of the Trust

The Trust's charitable objectives are:

- a) The upkeep and maintenance of St Andrew's Church,
- b) The maintenance of services in the Church, and subsidiary thereto,
- c) The advancement of the religious and other charitable work of the Church of England in the Ecclesiastical Parish of the Church of St. Andrew, Newgate Street, Newcastle upon Tyne.

The Charity aims to satisfy its objects and demonstrates its public benefit through the above three main areas of charitable activity. When considering its proposed plans of activity and preparing this report, the Trustees have considered the Charity Commission's guidance on public benefit.

Structure, Governance and Management

- (1) The Trustees meet at least quarterly and make all decisions regarding investments and expenditure.
- (2) The Trustees have delegated the day-to-day management of the rental of the Trust's properties to Johnson Tucker LLP.
- (3) The Trustees have delegated the day-to-day management of the Trust's investments to Brewin Dolphin.
- (4) Trustees are appointed by the existing Trustees pursuant to the provisions of the Trust Deed. New Trustees are found from the contacts and personal knowledge of existing Trustees. The aim of the Trustees in making appointments is to have a range of skills qualifications and experience suited to achieving the objects of the Trust as set out in the Trust Deed.
- (5) On appointment, Trustees are provided with a copy of the Trust Deed, the most recent financial statements and investment reports and minutes of Trustees meetings. The experience of the persons appointed usually means that they have a good understanding of the responsibilities of a charity trustee, but where necessary guidance is available from the Trust's solicitors. Relevant Charity Commission publications are also available to the Trustees.

There were two full meetings of the Trust during the year. Our meetings were always minuted by the secretary. The meetings were attended by the Trustees and by professional advisers when they were required. The Trustees were in contact with each other during the year in their roles as Vicar and Churchwardens. The Trustees receive no remuneration for attendance at meetings or for all the work they perform as Trustees.

Risk Management

The Trustees have considered any risks to which the Trust might be exposed and are satisfied that the administrative investment and financial procedures which are in place minimise the risk of any loss to the Trust. The position is reviewed regularly by the Trustees.

Trustees' Report

for the year ended 31 December 2020

Review of Activities and Performance

After the resignation of one Churchwarden (Raymond Blake in December 2019) we have been one trustee short until Barbara Porter was duly elected to replace him in November 2020. I felt it would be unethical to make decisions when there was only one churchwarden and myself available to do so, as I would have a 'casting vote' in the event of a disagreement. To that end, the surveys were authorized (item v below) and the decision to proceed was postponed until we had a full complement of trustees.

Impact of Covid 19 Pandemic, and our response.

- i. **Treasurer**
Michelle Small has provided regular updates despite the restrictions and ever-changing financial landscape due to Covid-19
- ii. **Johnson Tucker Property Management**
Gary Robinson has liaised with all stakeholders and trustees to offer regular and helpful updates and advice throughout this challenging period of our history.
- iii. **Brewin Dolphin**
Anna McCready, CFA has also been a source of sound encouragement and advice throughout this period, ensuring that our investments were appropriately monitored, and good governance achieved.
- iv. **Liability Insurance for Trustees**
After taking advice this was successfully set up so that all existing trustees are suitably protected.
- v. **St. Andrew's Church roof investigation (January-March)**
After collaboration with the Church Architect, DAC and Historic England it became clear that it was a matter of good stewardship to spend money for a professional investigation and subsequent repair of the Chancel roof in accordance with recommendations of the exiting quinquennial.
- vi. **Strategy regarding rental properties**
The tenants were operating in a variety of circumstances, so 'one size did not fit all'. We decided that it was both fair and indeed the Christian response to undertake regular dialogue with each tenant, so that no party was unnecessarily disadvantaged. This resulted in agree periods of rent freeze; reduced rent; and occasionally in some cases writing off a backlog altogether. In general term, we adopted the philosophy that it was good practice in all respects to try and preserve the business in question rather than to demand full rent without compassion and risk seeing a tenant unable to pay and suffer the loss of their livelihood.
This was a stance of ethical dignity in a time of global crisis. Our abiding hope was that short-term concessions would yield long-term gains.

Financial review

The Trustees were grateful for the financial investment advice received from Anna McCready, Brewin Dolphin. The income for the Trust during the year amounted to £194,596 and expenditure totalled £177,814. The market value of listed investments decreased to £630,533.

Investment policy and performance

The Trust is dependent solely on income from its investments to fulfil its objects. The Trustees' investment objective is therefore to maintain and enhance the value of the fixed assets and investments over the long term in order to maintain and if possible increase the income available for the purposes of the Trust. Investments and projected income are reviewed quarterly and performance compared with appropriate indices. Taking into account the effects of the economic and financial crisis and in particular the problems in the banking sector, investment performance has been satisfactory. We have a risk category of 5 which is diversified risk portfolio.

Trustees' Report

for the year ended 31 December 2020

Reserves policy

Reserves which represent the balance of unrestricted funds which as at 31 December 2020 was £3,369,651. It is the policy of the Trustees to retain sufficient reserves, subject to fluctuation in the value of the investments to ensure that in the event of a significant reduction in income the Trustees could at least maintain the regular expenditure. The Trustees have taken into account the current level of yield on investments, market volatility and the economic outlook.

Future Plans and conclusion

Chancel Roof

Due to the ongoing restrictions presented by the Covid pandemic, work has been delayed. Nevertheless, the work is booked to resume asap after Easter 2021, if PHE deem it is safe to do so. Our church Architect has kindly agreed to 'project manage' once work can commence.

Porch

The Jubilee Chapel ('priest porch') has developed more severe water ingress than usual, to the point where it became prudent stewardship to ask our architect to inspect. He then produced a helpful report which we subsequently forwarded to the DAC for informal advice, in order to seek a positive solution or way forward.

Music and Liturgy

Despite the many frustrations and challenges presented by the Covid19 pandemic, our relationship with Newcastle University (music department) has continued to progress. Vocal scholars managed to record traditional 'Compline' for Advent, which enabled us to reach those who were vulnerable and isolated. They also recorded salient items to cover the '12 days of Christmas' themes and the Christmas season. To build on these foundations, we now plan to investigate the possibility of securing a deeper partnership in terms of various scholarships that are mutually beneficial. This way, we can guarantee an effective musical commitment and output for all concerned.

Conservation

Our Ward Councillor is still very supportive of the plans to develop the grounds as 'an oasis of calm and healing.' We remain on the City Council radar, and as part of the metropolitan conversation, will hopefully be able to add unique value to the city green spaces project(s) once Covid restrictions allow.

Conclusion

We remain on a positive footing. The pandemic has clearly frustrated the speed but not the direction of travel! Many thanks to all who have consistently displayed a huge generosity of spirit and continued to persevere, adapt and overcome. Consequently, the future for us and the mission of the Trust remains bright in all respects.

Trustees' Report

for the year ended 31 December 2020

Statement of Trustees' Responsibilities

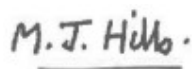
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping 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 and the provisions of the trust deed. 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.

Approved by the Trustees and signed on their behalf by:



M. J. Hills

Revd Michael J Hills

Chairman

Date: 13 October 2021

Independent examiners' report

to the Trustees of Saint Andrew's Church Estate including the Charity of Sir William Blackett the Younger

I report on the accounts of the Charity for the year ended 31 December 2020, which are set out on pages 7 to 13.

This report is made solely to the Trustees, as a body. The examination has been undertaken so that I might state to the Trustees those matters that are required to be stated in an examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for this examination, for this report, or for the statements made.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

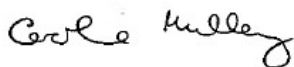
Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Caroline Mulley

Relevant professional qualification or body: Institute of Chartered Accountants in England and Wales

Address: Newcastle upon Tyne

Date: 18 October 2021

Statement of financial activities

for the year ended 31 December 2020

	<i>Notes</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>2020</i>	<i>2019</i>
		<i>£</i>	<i>£</i>	<i>Total</i>	<i>Total</i>
				<i>£</i>	<i>£</i>
INCOME FROM:					
Voluntary income					
Donations for music scholarship		-	905	905	1,257
Fund raising					
Investment income	2	193,691	-	193,691	217,346
Total income		193,691	905	194,596	218,603
EXPENDITURE					
Charitable activities	3	81,992	2,137	84,129	89,930
Costs of fund raising	3	93,685	-	93,685	78,136
Total expenditure		175,677	2,137	177,814	168,066
Net income/(expenditure)		18,014	(1,232)	16,782	50,537
Realised (losses)/gains on investment assets		(6,120)	-	(6,120)	13,145
Unrealised gains on investment assets	5	29,355	-	29,355	63,090
Net movement in funds in year		41,249	(1,232)	40,017	126,772
Transfers between funds		(995)	995	-	-
Net movement in funds in year after transfers		40,254	(237)	40,017	126,772
Total funds brought forward		3,329,397	237	3,329,634	3,202,862
Total funds carried forward		3,369,651	-	3,369,651	3,329,634

All activities are continuing.

Balance sheet

at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Investment properties	4	2,570,000	2,570,000
Investments	5	630,353	635,418
		<u>3,200,353</u>	<u>3,205,418</u>
Current assets			
Debtors	6	39,362	46,369
Cash at bank		148,663	95,789
		<u>188,025</u>	<u>142,158</u>
Creditors: amounts falling due within one year	7	(18,727)	(17,942)
		<u>169,298</u>	<u>124,216</u>
Net current assets			
		<u>3,369,651</u>	<u>3,329,634</u>
Net assets			
		<u>3,369,651</u>	<u>3,329,634</u>
Funds			
Unrestricted		3,369,651	3,329,397
Restricted – music scholarship		-	237
		<u>3,369,651</u>	<u>3,329,634</u>
Total funds		<u>3,369,651</u>	<u>3,329,634</u>

Approved by the Board of Trustees on 13 October 2021 and signed on its behalf by:

M. J. Hills

..... Revd Michael J Hills - Chairman

Notes to the financial statements

at 31 December 2020

1. Accounting policies

Statement of compliance and basis of preparation

Saint Andrew's Church Estate is an unincorporated Charity registered in England. The Registered Office is St Andrew's Church, Newgate Street, Newcastle upon Tyne, NE1 5SS. The financial statements have been prepared in compliance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)". The Charity is exempt from preparing a statement of cash flows as it meets the requirements of a Small Charity.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice SORP (FRS 102). There were no material differences identified on adoption of the SORP (FRS 102).

Investments

Investments are included in the balance sheet at market value. Proceeds from sale of rights issues are credited against the cost of investment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment properties

The Charity's properties are held for long-term investment. Investment properties are accounted for in accordance with FRS 102 and are held at fair value. The assets are valued by an independent firm of chartered surveyors. The valuation is performed every five years, subject only to obtaining advice as to the possibility of any material movements between valuations. Any material surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the statement of financial activities for the year.

The Trustees believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Fund accounting

If the Charity receives funds for a particular purpose specified by the donor then the amounts are included in restricted funds and the relevant expenditure is charged against the fund.

Investment income

Income from bank deposits and dividends are accounted for on a received basis. Rentals receivable are credited in the statement of financial activities on an accruals basis recognising income receivable for the period.

Notes to the financial statements

at 31 December 2020

1. Accounting policies (continued)

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where expenditure falls wholly within one of the expenditure categories contained within the Statement of Financial Activities, it is shown wholly within that category. Other costs are allocated to the expenditure categories by management on a reasonable and consistent basis each year, having regard to the proportion of time or resources expended on each activity.

2. Investment income

	2020 £	2019 £
Dividends	12,451	14,243
Interest receivable	265	421
Rent received	180,975	202,682
	<u>193,691</u>	<u>217,346</u>

3. Resources expended

	2020 £	2019 £
<i>Expenditure payable in furtherance of charity's objectives - unrestricted</i>		
Diocesan quota	13,572	25,347
Repairs and restoration costs	16,841	25,637
Donations	3,000	3,000
Support costs	48,579	34,926
	<u>81,992</u>	<u>88,910</u>
<i>Expenditure payable in furtherance of charity's objectives - restricted</i>		
Music scholarship	2,137	1,020
<i>Fund raising</i>		
Investment property costs	31,915	28,323
Investment property management costs	7,440	7,440
Investment management fees	5,751	7,448
Support costs	48,579	34,925
	<u>93,685</u>	<u>78,136</u>
<i>Support costs of charitable activities</i>		
Accommodation expenses	33,203	33,078
Professional fees	2,525	-
Staff costs	60,295	29,649
Other administrative costs	1,135	7,124
Independent examiner	-	-
	<u>97,158</u>	<u>69,851</u>

Notes to the financial statements

at 31 December 2020

3. Resources expended (continued)

Allocated based on time spent by staff 50% to charitable activities and 50% to fund raising

No remuneration was paid to Trustees in the year, nor were any Trustees' expenses reimbursed. The staff costs were in respect of the verger's salary, and the salary of the administrative assistant which were paid on behalf of St Andrew's as well as a contribution to costs of Revd M Hills.

4. Investment properties

Freehold property
£

Valuation:

At 31 December 2019 and 31 December 2020

2,570,000

The freehold property consists of:

91/95 Percy Street, Newcastle upon Tyne, NE1 7RW – this property was valued by Johnson Tucker on 15 April 2016 at £1,640,000.

Bradburn House, 64/70 Northumberland Street, Newcastle upon Tyne, NE1 7DF – this property was valued by Johnson Tucker on 15 April 2016 at £930,000.

These properties are leased to tenants under operating leases, 91/95 Percy Street over a range of periods with expiry dates up to 2028 and Bradburn House with 92 years remaining.

5. Investments

	<i>Listed investments</i>	<i>Cash</i>	<i>Unrestricted funds Total</i>
	£	£	£
Market value at 1 January 2020	629,165	6,253	635,418
Less Disposals	(171,111)	136,111	(35,000)
Add Acquisitions at cost	128,103	(128,103)	-
Change in market value	29,355	-	29,355
Loss on disposal	(6,120)	-	(6,120)
Dividends and interest	-	12,451	12,451
Investment management fees	-	(5,751)	(5,751)
Market value at 31 December 2020	<u>609,392</u>	<u>20,961</u>	<u>630,353</u>
Historic cost at 31 December 2020			<u>507,685</u>

All investments were managed by Brewin Dolphin. The Trustees consider individual investment holdings in excess of 10% of the portfolio value to be material; there were no material investment holdings in the year.

Notes to the financial statements

at 31 December 2020

6. Debtors

	2020	2019
	£	£
Prepayments	10,027	16,579
Balance held by property managers	21,038	26,665
Arrears of rent	8,297	3,125
	<u>39,362</u>	<u>46,369</u>

7. Creditors

	2020	2019
	£	£
Trade creditors	4,304	4,691
Deferred rental income	14,423	13,251
	<u>18,727</u>	<u>17,942</u>

8. Related party transactions

The Trustees are both churchwardens of St Andrew's Church. The grants made to St Andrew's Church for repairs and maintenance are set out in note 3. In addition Revd M Hills was reimbursed for expenditure incurred on behalf of the Trust, totalling £109.

9. Bequest Account

This account represents the Charity of Sir William Blackett the Younger (St Andrew's Ancient Parish Relief in Need Charity)

	2020	2019
	£	£
Balance as at 1 January 2020	20	20
Investment income for the year	-	-
Expenditure during the year	-	-
	<u>20</u>	<u>20</u>

10. Taxation

As a registered charity the entity is not liable for any corporation tax arising from its activities during the year.

Notes to the financial statements

at 31 December 2020

11. Analysis of movements on funds

	<i>At 1 January</i>			<i>Investment</i>		<i>At</i>
	<i>2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains</i>	<i>Transfers</i>	<i>31 December</i>
	£	£	£	£	£	2020
						£
<i>Unrestricted</i>						
General	3,329,397	193,691	(175,677)	23,235	(995)	3,369,651
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Restricted</i>						
Music scholarship	237	905	(2,137)	-	995	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	3,329,634	194,596	(177,814)	23,235	-	3,369,651
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Specific donations were received in the year to fund music scholarship.