

Charity Registered No: 244047

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

## **Report and Financial Statements**

Year ended 31 December 2021

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

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## 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 2021

### **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.

Due to the pandemic related restrictions there was one Trustees meeting online and one meeting in person of the Trust during the year. Our investments advisor communicated via email and telephone conversations. 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 2021

### Review of Activities and Performance

Thankfully this year we had two churchwardens in place as Trustees. One churchwarden was in the 'vulnerable' category (as described by NHS/PHE) and although this clearly affected how we were able to meet as Trustees during the ongoing pandemic, it did not impede output for this period.

#### 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. His patience and diplomacy secured sound financial benefits for the Trust this year, for which we are truly grateful.
- iii. **Brewin Dolphin**  
Once again, Anna McCready, CFA has also been a valued source of 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 last year and will continue in each year 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. After the usual process of tender, the work was successfully completed May this year. The church Architect acted as 'project manager' throughout the process.
- vi. **Strategy regarding rental properties**  
The tenants were operating in a variety of circumstances, so this year was almost a repeat of last in the sense that 'one size still did not fit all'. We maintained that it was both fair and indeed the Christian response to undertake regular dialogue with each tenant, so that no party was unnecessarily disadvantaged. Reduced rent was the kindest agreed response. As per last year, we continued 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 stance of ethical dignity in a time of global crisis persists. Our abiding hope that short-term concessions would yield long-term gains is beginning to bear fruit.

### 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 £209,620 and expenditure totalled £228,508. The market value of listed investments increased to £685,594. The investment properties have also been revalued and reflected in the accounts resulting in an increase in value of £130,000.

### 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 retained a risk category of 5 which is diversified risk portfolio.

## Trustees' Report

for the year ended 31 December 2021

### Reserves policy

Reserves which represent the balance of unrestricted funds which as at 31 December 2021 was £3,529,857. 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 ongoing restrictions presented by the Covid pandemic, work was delayed. Nevertheless, the work resumed after Easter 2021 (with our church Architect as 'project manager') and was successfully completed in May 2021.

#### Porch

The Jubilee Chapel ('priest porch') continues to develop 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. The DAC advised that there was little that could be done. Consequently, we asked our church architect to seek advice directly from English Heritage. Meanwhile, he will continue to monitor the situation.

#### Boiler

In October the church boiler broke down completely because our boiler house was flooded after heavy rain.

After seeking immediate advice we applied to the DAC for an 'Emergency Faculty' to replace. Meanwhile, our church Architect secured a range of competitive quotations with a view to starting the replacement at the earliest opportunity. However, the earliest any contractor could offer was 'sometime in January 2022'. This remains priority.

### Music and Liturgy

Despite the continuing frustrations and challenges presented by the Covid 19 pandemic, our relationship with Newcastle University (music department) has continued to progress. Vocal scholars managed to deliver traditional 'Compline' in person for Advent, and recordings which were circulated enabled us to reach those who were vulnerable and isolated. They were also able to sing 'live' during term time for the Christmas season. We also managed to host a number of NU Christmas concerts, which are set to increase in both style and number as the city begins to open up again.

To build on these firm foundations, having investigated the possibility of securing a deeper partnership in terms of various scholarships that are mutually beneficial, there are now moves to include us in the University Prospectus. Once this is achieved, we are more likely to secure an effective long-term musical commitment and output for all concerned.

### Conservation

Our Ward Councillor remains 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, and will hopefully be able to add unique value to the city green spaces project(s) once Covid restrictions allow. We have also approached Newcastle University (ecology department) in the hope that their students might conduct a supervised 'site survey' to give us a steer as to the best way forward.

## Trustees' Report

for the year ended 31 December 2021

### Conclusion

Despite the challenges of this pandemic, we remain on a positive footing. Coronavirus has clearly frustrated the speed but not the direction of travel! Many thanks to all who have once again consistently displayed a huge generosity of spirit and tenacity. Consequently, as we continue to be nimble, adapting to fast-moving circumstances, the future for us and the mission of the Trust remains bright in all respects.

### 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 25<sup>th</sup> July 2022

# **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 2021, 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: 28 JULY 2022

## Statement of financial activities

for the year ended 31 December 2021

	Notes	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>INCOME FROM:</b>					
<b>Voluntary income</b>					
Donations for music scholarship		-	1,825	1,825	905
<b>Fund raising</b>					
Investment income	2	207,795	-	207,795	193,691
Total income		207,795	1,825	209,620	193,691
<b>EXPENDITURE</b>					
<b>Charitable activities</b>	3	137,220	4,723	141,94	84,129
<b>Costs of fund raising</b>	3	86,565	-	86,565	93,685
Total expenditure		223,785	4,723	228,508	177,814
Net (expenditure)/income		(15,990)	(2,898)	(18,888)	16,782
Realised gains/(losses) on investment assets		6,054	-	6,054	(6,120)
Unrealised gains on investment assets	5	43,040	-	43,040	29,355
Unrealised gain on investment properties	4	130,000	-	130,000	-
Net movement in funds in year		163,104]	(2,898)	160,206	40,017
Transfers between funds		(2,898)	2,898	-	-
Net movement in funds in year after transfers		160,206	-	160,206	40,017
Total funds brought forward		3,369,651	-	3,369,651	3,329,634
Total funds carried forward		3,529,857	-	3,529,857	3,369,651

All activities are continuing.



## Balance sheet

at 31 December 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investment properties	4	2,700,000	2,570,000
Investments	5	685,594	630,353
		<u>3,385,594</u>	<u>3,200,353</u>
<b>Current assets</b>			
Debtors	6	49,318	39,362
Cash at bank		116,015	148,663
		<u>165,333</u>	<u>188,025</u>
<b>Creditors:</b> amounts falling due within one year	7	(21,070)	(18,727)
		<u>144,263</u>	<u>169,298</u>
<b>Net current assets</b>			
		<u>144,263</u>	<u>169,298</u>
<b>Net assets</b>			
		<u>3,529,857</u>	<u>3,369,651</u>
<b>Funds</b>			
Unrestricted		3,529,857	3,369,651
Restricted – music scholarship		-	-
		<u>3,529,857</u>	<u>3,369,651</u>
<b>Total funds</b>			
		<u>3,529,857</u>	<u>3,369,651</u>

Approved by the Board of Trustees on

25<sup>th</sup> July 2022

M. J. Hills

Rev'd Michael J Hills - Chairman

and signed on its behalf by:

## Notes to the financial statements

at 31 December 2021

### 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 2021

### 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

	2021	2020
	£	£
Dividends	12,380	12,451
Interest receivable	97	265
Rent received	195,318	180,975
	<u>207,795</u>	<u>193,691</u>

### 3. Resources expended

	2021	2020
	£	£
<i>Expenditure payable in furtherance of charity's objectives - unrestricted</i>		
Diocesan quota	28,530	13,572
Repairs and restoration costs	56,764	16,841
Donations	4,200	3,000
Support costs	47,726	48,579
	<u>137,220</u>	<u>81,992</u>
<i>Expenditure payable in furtherance of charity's objectives - restricted</i>		
Music scholarship	4,723	2,137
<i>Fund raising</i>		
Investment property costs	25,165	31,915
Investment property management costs	7,440	7,440
Investment management fees	6,234	5,751
Support costs	47,726	48,579
	<u>86,565</u>	<u>93,685</u>
<i>Support costs of charitable activities</i>		
Accommodation expenses	30,441	33,203
Professional fees	4,260	2,525
Staff costs	57,687	60,295
Other administrative costs	3,064	1,135
Independent examiner	-	-
	<u>95,452</u>	<u>97,158</u>

## Notes to the financial statements

at 31 December 2021

### 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

	<i>Freehold property</i>
	£
Valuation:	
At 31 December 2020	2,570,000
Revaluation	130,000
	<u>2,700,000</u>
At 31 December 2021	<u>2,700,000</u>

The freehold property consists of:

91/95 Percy Street, Newcastle upon Tyne, NE1 7RW – this property was valued by Johnson Tucker on 24 May 2022 at £2,000,000.

Bradburn House, 64/70 Northumberland Street, Newcastle upon Tyne, NE1 7DF – this property was valued by Johnson Tucker on 24 May 2022 at £700,000.

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</i>		<i>Unrestricted</i>
	<i>investments</i>	<i>Cash</i>	<i>funds</i>
	£	£	<i>Total</i>
			£
Market value at 1 January 2021	609,392	20,961	630,353
Less Disposals	(82,914)	82,914	-
Add Acquisitions at cost	87,608	(87,608)	-
Change in market value	43,040	-	43,040
Profit on disposal	6,054	-	6,054
Dividends and interest	-	12,380	12,380
Investment management fees	-	(6,233)	(6,233)
	<u>663,180</u>	<u>22,414</u>	<u>685,594</u>
Market value at 31 December 2021			
	<u>663,180</u>	<u>22,414</u>	<u>685,594</u>
Historic cost at 31 December 2021			<u>545,255</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 2021

### 6. Debtors

	2021	2020
	£	£
Prepayments	26,955	10,027
Balance held by property managers	20,096	21,038
Arrears of rent	2,267	8,297
	<u>49,318</u>	<u>39,362</u>

### 7. Creditors

	2021	2020
	£	£
Trade creditors	7,844	4,304
Deferred rental income	13,226	14,423
	<u>21,070</u>	<u>18,727</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.

### 9. Bequest Account

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

	2021	2020
	£	£
Balance as at 1 January 2021	20	20
Investment income for the year	-	-
Expenditure during the year	-	-
	<u>20</u>	<u>20</u>
Balance as at 31 December 2021	20	20

### 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 2021

### 11. Analysis of movements on funds

	<i>At 1 January</i>			<i>Investment</i>		<i>At</i>
	<i>2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains</i>	<i>Transfers</i>	<i>31 December</i>
	£	£	£	£	£	2021
						£
<i>Unrestricted</i>						
General	3,369,651	207,795	223,785	179,094	(2,898)	3,529,857
<i>Restricted</i>						
Music scholarship	-	1,825	(4,723)	-	2,898	-
<b>Total funds</b>	<b>3,369,651</b>	<b>209,620</b>	<b>228,508</b>	<b>179,094</b>	<b>-</b>	<b>3,529,857</b>

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