

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

Report and Financial Statements

Year ended 31 December 2022

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

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

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 2022

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 George F White incorporating 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 continued pandemic related aftermath there were two face to face Trustees meetings 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 advisors 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 2022

Review of Activities and Performance

Once again, we had two churchwardens in place as Trustees. One churchwarden remained in the 'vulnerable' category (as described by NHS/PHE), contracting Covid at one point, as did the vicar. 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 continued response.

- i. **Treasurer**
Michelle Small has provided regular updates despite the restrictions and ever-changing financial landscape due to Covid-19
- ii. **Johnson Tucker**
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. **Church Boiler**
In Autumn 2021 the church boiler was broken due to flooding and became unrepairable. The majority of the cost for replacement came from our existing insurance. We did take the opportunity to install the most economical, up to date and ecologically friendly boiler.
- vi. **Strategy regarding rental properties**
The tenants were still operating in a variety of circumstances, so this year we responded in a bespoke way as necessary. 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 once again 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 tenants 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 £243,472 and expenditure totalled £208,132. The market value of listed investments reduced to £599,625.

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 2022

Reserves policy

Reserves which represent the balance of unrestricted funds which as at 31 December 2022 was £3,470,836. 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

Porch

As reported last year: "The Jubilee Chapel (colloquially described as the '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." No progress has been made to date. Consequently, we are seriously considering approaching the Chancellor directly for guidance if a way forward cannot be found soon. It is clear that it would be bad stewardship for us to simply shrug our collective shoulders while the elements literally pour in! To that end, we have articulated our concerns once again with the church architect.

Boiler

In October 2021 the church boiler broke down completely because our boiler house was flooded after heavy rain. After seeking immediate advice we applied to the DAC (through our church architect) for an 'Emergency Faculty' to replace, which was duly granted. In February 2022 a new boiler was installed. Problem solved – happy days!

Music and Liturgy

Our relationship with Newcastle University (music department) has continued to progress. Vocal scholars managed to deliver traditional 'Compline' again for both Advent and Lent. Once again, recordings were circulated to reach those who were vulnerable and isolated. They were also able to sing throughout term time and during Holy Week. Good Friday was particularly poignant this year, as we used timber from the Chancel roof repair to construct a small cross for everyone on the church electoral roll, with plenty left over for those who attended the Triduum. We increased our hosting footprint for a number of NU seasonal concerts, which are thankfully gaining momentum, as predicted, in both style and number. This year, for example, we developed a relationship with the Folk Music department, who kindly delivered a 'Wassail' at Christmas. This may develop further in the Spring/Summer periods as there is a mutual appetite and excitement for this potential.

Building on these firm foundations, we are exploring the possibility of securing a deeper partnership in terms of various scholarships that are mutually beneficial, with an organ scholarship being the next obvious step. This would provide continuity of output, and a manageable direction for development. It has also become a basis for local outreach (mission) and contributes to the much-needed community healing after the various attacks and manifestations of Covid19 Pandemic.

We have sought, and now gained, permission to describe ourselves as being 'in partnership' with the University. This language now features on the NU Music Department website, who have accepted our 'vocal scholarship' overtures as being mutually beneficial. Our own Church websites are being refreshed to reflect these current needs and the organic nature of the city in which we are set.

Conservation

As was the case last year, 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, are still part of the metropolitan

Trustees' Report

for the year ended 31 December 2022

conversation, and will hopefully be able to add unique value to the city green spaces project(s) once the inertia created by the pandemic gives way to a new energy. After reaching out last year to Newcastle University (Ecology Department) which resulted in a visit by their undergraduate students to conduct a supervised 'site survey', this year we deepened those undergraduate insights during the new season by attracting post-graduate input. This academic input has provided a coherent steer as to the art of the possible, and we can now navigate the best way forward. In practical terms there are a number of projects we can prosecute to add real value to the grounds. The caveat, as with all nature-based projects, is an element of trial and error. Nevertheless, in terms of 'next steps' our task is to approach local stakeholders to encourage a sense of 'ownership' so that all planned improvements are successfully maintained. Watch this space.

Conclusion

Despite the residual challenges from the pandemic, we remain on a positive footing. Progress is slow but sure. Coronavirus continues to lurk around, frustrating the speed but not the direction of travel!

Many thanks to all who have managed to retain a 'glass half full' mindset by consistently displaying a huge generosity of spirit and tenacity. Consequently, as we continue to be agile and upbeat, adapting to unpredictable circumstances, the future for us and the mission of the Trust still remains positive 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 15th May 2023

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 2022, 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: 16 MAY 2023

Statement of financial activities

for the year ended 31 December 2022

	<i>Notes</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>2022</i>	<i>2021</i>
		<i>£</i>	<i>£</i>	<i>Total</i>	<i>Total</i>
				<i>£</i>	<i>£</i>
INCOME FROM:					
Voluntary income					
Donations for music scholarship		-	2,460	2,460	1,825
Grant for heating		-	2,096	2,096	-
Fund raising					
Investment income	2	226,202	-	226,202	207,795
Other income					
Insurance claim		-	12,714	12,714	-
Total income		226,202	17,270	243,472	209,620
EXPENDITURE					
Charitable activities	3	109,778	17,270	127,048	141,943
Costs of fund raising	3	81,084	-	81,084	86,565
Total expenditure		190,862	17,270	208,132	228,508
Net income/(expenditure)		35,340	-	35,240	(18,888)
Realised (losses)/gains on investment assets		(8,507)	-	(8,507)	6,054
Unrealised (losses)/gains on investment assets	5	(85,854)	-	(85,854)	43,040
Unrealised gain on investment properties		-	-	-	130,000
Net movement in funds in year		(59,021)	-	(59,021)	160,206
Total funds brought forward		3,529,857	-	3,529,857	3,369,651
Total funds carried forward		3,470,836	-	3,470,836	3,529,857

All activities are continuing.

Balance sheet

at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Investment properties	4	2,700,000	2,700,000
Investments	5	599,625	685,594
		<u>3,299,625</u>	<u>3,385,594</u>
Current assets			
Debtors	6	30,228	49,318
Cash at bank		152,430	116,015
		<u>182,658</u>	<u>165,333</u>
Creditors: amounts falling due within one year	7	(11,447)	(21,070)
		<u>171,211</u>	<u>144,263</u>
Net current assets			
		<u>3,470,836</u>	<u>3,529,857</u>
Net assets			
		<u>3,470,836</u>	<u>3,529,857</u>
Funds			
Unrestricted		3,470,836	3,529,857
Restricted		-	-
		<u>3,470,836</u>	<u>3,529,857</u>
Total funds			
		<u>3,470,836</u>	<u>3,529,857</u>

Approved by the Board of Trustees on 15/5/2023 and signed on its behalf by:

M. J. Hills

Revd Michael J Hills - Chairman

Notes to the financial statements

at 31 December 2022

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 2022

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

	2022	2021
	£	£
Dividends	12,714	12,380
Interest receivable	142	97
Rent received	211,620	195,318
	<u>226,202</u>	<u>207,795</u>

3. Resources expended

	2022	2021
	£	£
<i>Expenditure payable in furtherance of charity's objectives - unrestricted</i>		
Diocesan quota	29,730	28,530
Repairs and restoration costs	24,174	56,764
Donations	5,000	4,200
Music Scholarship	6,735	-
Support costs	44,139	47,726
	<u>109,778</u>	<u>137,220</u>
<i>Expenditure payable in furtherance of charity's objectives - restricted</i>		
Music scholarship	2,460	4,723
Heating funded by Diocese	2,096	-
Repairs funded by insurance claim	12,714	-
	<u>17,270</u>	<u>4,723</u>
<i>Fund raising</i>		
Investment property costs	19,060	25,165
Investment property management costs	7,440	7,440
Investment management fees	8,350	6,234
Support costs	46,234	47,726
	<u>81,084</u>	<u>86,565</u>

Notes to the financial statements

at 31 December 2022

3. Resources expended (continued)

Support costs of charitable activities

Accommodation expenses	28,891	30,441
Professional fees	1,775	4,260
Staff costs	61,368	57,687
Other administrative costs	235	3,064
Independent examiner	200	-
	<u>92,469</u>	<u>95,452</u>

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 vergers' 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 2022 and 31 December 2021

2,700,000

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.

Notes to the financial statements

at 31 December 2022

5. Investments

	<i>Listed investments</i>	<i>Cash</i>	<i>Unrestricted funds Total</i>
	£	£	£
Market value at 1 January 2022	663,180	22,414	685,594
Less Disposals	(31,839)	31,839	-
Add Acquisitions at cost	35,553	(35,553)	-
Change in market value	(85,854)	-	(85,854)
Loss on disposal	(8,507)	-	(8,507)
Dividends and interest	-	14,440	14,440
Investment management fees	-	(6,048)	(6,048)
Market value at 31 December 2022	572,533	27,092	599,625
Historic cost at 31 December 2022			558,978

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.

6. Debtors

	2022	2021
	£	£
Prepayments	8,236	26,955
Balance held by property managers	10,867	20,096
Arrears of rent	11,125	2,267
	30,228	49,318

7. Creditors

	2022	2021
	£	£
Trade creditors	10,764	7,844
Deferred rental income	683	13,226
	11,447	21,070

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.

Notes to the financial statements

at 31 December 2022

9. Bequest Account

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

	2022 £	2021 £
Balance as at 1 January 2022	20	20
Investment income for the year	-	-
Expenditure during the year	-	-
Balance as at 31 December 2022	20	20

10. Taxation

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

11. Analysis of movements on funds

	At 1 January 2022 £	Income £	Expenditure £	Investment Losses £	Transfers	At 31 December 2022 £
<i>Unrestricted</i>						
General	3,529,857	226,202	(190,862)	(94,361)	-	3,470,836
<i>Restricted</i>						
Music scholarship	-	2,460	(2,460)	-	-	-
Heating support from Diocese	-	2,096	(2,096)	-	-	-
Insurance claim	-	12,714	(12,714)	-	-	-
	-	17,270	(17,270)	-	-	-
Total funds	3,529,857	243,472	(208,132)	(94,361)	-	3,470,836