

**Northern Brethren's Fund**  
**Trustees' Report and Financial Statements**  
**for the year ended 30 June 2022**  
**Registered Charity No. 254672**

## **Northern Brethren's Fund**

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## **Northern Brethren's Fund**

### **Legal and Administrative Information**

|                              |   |
|------------------------------|---|
| <b>Charity No.</b>           | 254672  |
| <b>Trustees:</b>             | Rev. Peter Stott<br>Rev. Ian Jackson<br>Rev. James Angus<br>Rev. Christopher Warren - appointed 31 January 2023<br>Rev. Paul Douthwaite - appointed 31 January 2023 |
| <b>Chairman:</b>             | Rev. Peter Stott  |
| <b>Officers:</b>             | Rev. Ian Jackson - Treasurer<br>Rev. James Angus - Secretary  |
| <b>Contact Address:</b>      | St Robert of Newminster<br>Oldgate<br>Morpeth<br>Northumberland<br>NE61 1QF   |
| <b>Independent Examiner:</b> | P. S. Hutchinson BSc FCA<br>Harrison Hutchinson Ltd<br>246 Park View<br>Whitley Bay<br>NE26 3QX   |

**NORTHERN BRETHREN'S FUND - Main Fund  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

- **Type of governing document**

The fund is governed by a historic Trust Deed (dated circa 1660), the terms and rules of which were last amended on 15.09.1983

- **How charity is constituted**

The fund is a charitable unincorporated body and is governed by the rules of and in the above trust deed.

- **Trustee selection methods**

When the trustees need to appoint a new trustee to replace one out going, it is placed on the next available meeting agenda for discussion. The members make their suggestions and the board, after a discussion, agrees on who should be approached. Suitable candidates need to be known for their pastoral sensitivity and have the health and well being of sick and retired clergy at heart. Once approached and having accepted the invitation to become a trustee, they are welcomed at the next meeting.

- **Induction and training of trustees**

New trustees are provided with suitable documentation upon taking up their post to ensure a good knowledge of their responsibilities. All members take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

- **Organisational structure of charity**

The organisational structure consists of the Trustees (the number of which is noted in the accounts), Volunteer clergy who attend to the day-to-day operations of the fund (visiting retired clergy to establish need) and the investment management and a volunteer bookkeeper.

**OBJECTIVES AND ACTIVITIES**

- **Purposes of charity**

The funds purpose is the provision of relief and support to its members in times of infirmity, sickness and old age.

- **Summary of main activities**

To achieve the principal objective, set out above, the trust deed authorises the trustees to invest monies (not required for the time being for its purposes) in or upon investments, securities or property as they shall think fit.

- **Consideration of public benefit**

As the members of the fund consist of secular Clergy incardinated into the Diocese of Hexham and Newcastle, the Trustees consider (having read the Charity Commission guidance on public benefit) that the charity is not providing a benefit to the general public.

**NORTHERN BRETHREN'S FUND - Main Fund  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**ACHIEVEMENTS AND PERFORMANCE**

- **Main achievements**

The fund continued to provide long term assistance to retired clergy to help with their upkeep and maintenance. This assistance continued to be given on an individual basis after assessing the individual's assets, need and circumstances. Small discretionary grants continued to be paid to clergy suffering from illness.

- **Investment performance**

Despite challenging the climate, driven in the main by the after effects of the global pandemic, the market value of the fund's listed investments as at 30 June 2022 was £2,312,040 (2021 - £2,279,444).

Post year end performance. 2022 has been a challenging year due to the type of stocks that have outperformed. The bank and pharmaceuticals sectors (for example) have produced positive returns but all sectors have underperformed the huge gains from energy and it has been hard for balanced portfolios to match this.

Some major economic factors are starting to turn, with a downward trend in inflation numbers. Of course, there could still be some surprises but improving markets suggest we may be seeing some light at the end of the tunnel.

**FINANCIAL REVIEW**

- **Financial position as at the year end**

Relief grants in the sum of £161,779 (2021 - £216,278) were paid out during the year. Investment income, interest received and profit on disposal of shares amounted to £151,223 (2021 - £40,114) whilst benefactions received in the year were £30,417 (2021 - £145,948).

- **Reserves policy**

The trustees have established a reserves policy, to hold in available balance an amount equal to between 3 and 4 months of operating costs (relief grants for its members): currently in the region of £47,000 (2021: £63,000).

- **Amount of reserves held**

Our available balance at the balance sheet date was £97,228 (2021: £160,511). Hence the Trustees are satisfied that they have sufficient reserves on hand to enable the fund to function effectively in the coming year.

- **Principal source of funds**

As a principal source of funds is Dividends from investments, Brewin Dolphin, the fund's stockbrokers, have stated that their investment strategy aims to provide a balanced return whilst taking on a medium level of risk. All investments are made within ethical constraints such as avoiding direct investment in armament companies.

- **Risks facing charity**

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. 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 and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable;
- the Charity complies with relevant laws and regulations.

**NORTHERN BRETHREN'S FUND - Main Fund  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**FINANCIAL REVIEW (contd.)**

- Risks facing charity (contd.)

The Trustees have made an assessment of the major risks facing the fund and are satisfied that there are policies in place to minimise these risks. Some key risks have been identified as:

- Ageing Clergy: Over the next 10 to 15 years the level of grant payments is expected to exceed ordinary income and hence, the fund seeks to find alternative means to finance this long term gap.
- Diminishing investment returns: As one of the key sources of income for the fund is dividends derived from the investment portfolio, the economic climate (including the pandemic) is another area to address.
- Reputational damage: As another key source of income is voluntary donations, the fund is mindful of the effect that negative publicity can have on its ability to fulfill its objectives.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of the incoming resources and application of the 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 which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Part 8 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 1 March 2023 and signed on their behalf by

Rev. Peter Stott  
CHAIRMAN

## Northern Brethren's Fund

### Independent Examiner's Report to the Trustees on the unaudited financial statements of Northern Brethren's Fund for the year ended 30 June 2022

I report on the accounts of the charity for the year ended 30 June 2022 which are set out on pages 6 to 9.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent 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 charity's trustees, as a body, for my work or for this report.

#### Respective responsibilities of the trustees and examiner

The charity's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011) and that an independent examination is needed. It is my responsibility to:

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

#### Basis of independent examiner's report

My examination was carried out in accordance with 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 Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 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.

Signed

.....  
**PAUL HUTCHINSON BSc FCA**  
**Chartered Accountant**

Dated

.....

Address

Harrison Hutchinson Ltd, 246 Park View, Whitley Bay, Tyne and Wear. NE26 3QX.

# Northern Brethren's Fund

## Statement of financial activities for the year ended 30 June 2022

|   | Notes | Unrestricted<br>£ | Totals<br>2022<br>£ | 2021<br>£        |
|---|-------|-------------------|---------------------|------------------|
| <b>Incoming resources</b>   |       |                   |                     |                  |
| <b>Incoming resources from generated funds</b>                                    |       |                   |                     |                  |
| Voluntary income  | 2     | 30,417            | 30,417              | 145,948          |
| Investment income   | 3     | 68,390            | 68,390              | 60,537           |
| <b>Total incoming resources</b>   |       | <u>98,806</u>     | <u>98,806</u>       | <u>206,485</u>   |
| <b>Resources expended</b>   |       |                   |                     |                  |
| Relief grants   |       | 161,779           | 161,779             | 216,278          |
| AGM and meeting expenses  |       | -                 | -                   | 477              |
| Audit and accountancy fees  |       | 1,150             | 1,150               | 1,100            |
| Printing and stationery   |       | 311               | 311                 | 415              |
| Stockbroker fees  |       | 21,525            | 21,525              | 20,446           |
| <b>Total resources expended</b>   |       | <u>184,765</u>    | <u>184,765</u>      | <u>238,716</u>   |
| <b>Net (outgoing)/incoming resources before other recognised gains and losses</b> |       | (85,959)          | (85,959)            | (32,231)         |
| <b>Other recognised gains and losses</b>  |       |                   |                     |                  |
| (Losses)/Gains on investment assets   |       | 82,833            | 82,833              | (20,423)         |
| <b>Net movement in funds</b>  |       | <u>(3,126)</u>    | <u>(3,126)</u>      | <u>(52,654)</u>  |
| <b>Total funds brought forward</b>  |       | <u>2,520,339</u>  | <u>2,520,339</u>    | <u>2,572,993</u> |
| <b>Total funds carried forward</b>  |       | <u>2,517,213</u>  | <u>2,517,213</u>    | <u>2,520,339</u> |

The notes on pages 8 to 9 form an integral part of these financial statements



**Northern Brethren's Fund**

**Balance sheet  
for the year ended 30 June 2022**

|   |       | 2022               | 2021               |
|---|-------|--------------------|--------------------|
|   | Notes | £                  | £                  |
| <b>Fixed assets</b>                                   |       |                    |                    |
| Investments   | 4     | 2,312,040          | 2,279,444          |
| <b>Current assets</b>                                 |       |                    |                    |
| Cash at bank  |       | 213,163            | 248,275            |
|   |       | <u>213,163</u>     | <u>248,275</u>     |
| <b>Creditors: amounts falling due within one year</b> | 6     | <u>(7,990)</u>     | <u>(7,380)</u>     |
| <b>Net current assets</b>                             |       | <u>205,173</u>     | <u>240,895</u>     |
| <b>Net assets</b>                                     |       | <u>£ 2,517,213</u> | <u>£ 2,520,339</u> |
| <b>Funds</b>  |       |                    |                    |
| Unrestricted income funds                             | 7     | <u>2,517,213</u>   | <u>2,520,339</u>   |
|   |       | <u>£ 2,517,213</u> | <u>£ 2,520,339</u> |

The financial statements were approved by the trustees on 1 March 2023 and signed on its behalf by

..... Trustee  
Rev. Peter Stott  
Chairman

**The notes on pages 8 to 9 form an integral part of these financial statements**

**Northern Brethren's Fund**  
**Notes to the financial statements**  
**for the year ended 30 June 2022**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Accounting Practice: Accounting and Reporting by Charities (SORP 2005) issued in May 2008, applicable UK Accounting Standards and the Charities Act 2011.

**1.2 Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from investments is included in the year in which it is receivable.

**1.3 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.4 Investments**

Investments held as fixed assets are revalued at mid-market value at the balance sheet date by the stockbrokers. The revaluation is noted in the Accounts.

| <b>2. Voluntary income</b>                 | <b>Unrestricted<br/>Funds<br/>£</b> | <b>2022<br/>Total<br/>£</b> | <b>2021<br/>Total<br/>£</b> |
|--|-------------------------------------|-----------------------------|-----------------------------|
| Benefactions, legacies and SRP collections | 30,417                              | 30,417                      | 145,948                     |
|  | <u>30,417</u>                       | <u>30,417</u>               | <u>145,948</u>              |

**Northern Brethren's Fund**  
**Notes to the financial statements**  
**for the year ended 30 June 2022**

**3. Investment income**

|                          | Unrestricted<br>Funds<br>£ | 2022<br>Total<br>£ | 2021<br>Total<br>£ |
|--------------------------|----------------------------|--------------------|--------------------|
| Gross dividend income    | 68,358                     | 68,358             | 60,525             |
| Bank interest receivable | 32                         | 32                 | 12                 |
|                          | <u>68,390</u>              | <u>68,390</u>      | <u>60,537</u>      |

**4. Fixed asset investments**

|             | 2022<br>£        | 2021<br>£        |
|-------------|------------------|------------------|
| <b>Cost</b> |                  |                  |
| At 1 July   | 2,279,444        | 2,269,085        |
| Additions   | 150,273          | 242,625          |
| Disposals   | (117,677)        | (232,266)        |
| At 30 June  | <u>2,312,040</u> | <u>2,279,444</u> |

**5. Fixed asset investment market value**

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Market value per stockbrokers portfolio | <u>2,312,040</u> | <u>2,279,444</u> |

The receipts from the disposal of shares in the year £200,510 (2021 - £211,843) was used to help fund the purchase other shares in the year costing £150,273 (2021 - £242,625)

|   |                |               |
|---|----------------|---------------|
| Cash at bank includes cash held as part of the investment portfolio | <u>115,935</u> | <u>87,765</u> |
|---|----------------|---------------|

**6. Creditors**

Amounts falling due within one year:

|          | 2022<br>£    | 2021<br>£    |
|----------|--------------|--------------|
| Accruals | <u>7,990</u> | <u>7,380</u> |

**7. Unrestricted funds**

|             | At<br>1 July<br>2021<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Gains and<br>losses<br>£ | At<br>30 June<br>2022<br>£ |
|-------------|---------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| Total funds | <u>2,520,339</u>          | <u>98,806</u>              | <u>(184,765)</u>           | <u>82,833</u>            | <u>2,517,213</u>           |