

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

NORTHUMBRIA HISTORIC CHURCHES TRUST

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NORTHUMBRIA HISTORIC CHURCHES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JANUARY 2023

Trustees

Lt Gen Robin Brims CB CBE DSO DL, Chair (resigned 19 April 2023)
Dr Margaret Stewart, Deputy Chair
Peter Ryder (resigned 28 April 2022)
The Rev Canon Robert McTeer
Laurie McLeman, Hon Treasurer
Joanna Pullan, Assistant Hon Treasurer
George William Heslop
John Anderson, Chair (appointed 10 March 2022)
Dennis Parker (appointed 1 November 2022)
Matthew Alexander Pentti Sinclair (appointed 1 November 2022)
Edward Tulasiewicz (appointed 1 November 2022)
Elizabeth Mary Walford (appointed 1 November 2022)
Rev Christopher Wardale (appointed 1 November 2022)

Charity registered number

511314

Principal office

7 Strothers Road
High Spen
Tyne and Wear
NE39 2HR

Secretary

Kim Pearson to 1 January 2023
Mark Allison from 1 January 2023

Independent auditors

Kinnair Associates Limited
Chartered Accountants
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

Bankers

Barclays Bank
Hexham
Northumberland

COIF Charity Funds
One Angel Lane
London
EC4R 3AB

NORTHUMBRIA HISTORIC CHURCHES TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Investment Advisers

RBC Brewin Dolphin Limited
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Investment Advisers (cont'd)

Rathbones
8 Finsbury Circus
London
EC2M 7AZ

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JANUARY 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 February 2022 to 31 January 2023.

Objectives and activities

● Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of the Trust are to apply its income and capital for the preservation, repair, maintenance, improvement, upkeep, beautification and reconstruction of churches in Northumbria and of monuments, fittings, fixtures, stained glass, furniture, ornaments and chattels in such churches so as to maintain them for the benefit and enjoyment of future generations.

Agreed priorities of funding dictate that offers are normally restricted to churches with urgent structural repair needs and which can also demonstrate financial need. All the decisions on grant offers are made by a full meeting of Trustees, in accordance with grant making policies. These are publicly available, through the Trust's website or by contact with the Secretary or any of the Trustees. The Trust raises awareness of its activities amongst potential recipients through its website, occasional press releases and contacts with ministers and church officers.

In furtherance of its objectives the Trust liaises with the National Churches Trust to exchange and promote best practice while remaining independent of the National Churches Trust.

● Strategies for achieving objectives

During the year the Trustees revised the Trust's strategy in light of significantly increased funds becoming available. This will enable a much larger grant making budget from 2023 onwards.

● Activities undertaken to achieve objectives

Six new Trustees were appointed during the year, one of whom will become Chairman in April 2023. We also appointed a new Secretary, Investment Advisers, created a new website and set a marketing strategy.

● Grant-making policies

The Grant Making Budget is set at the start of the year. Grant applications are assessed at the four meetings held during the year. First we decide if the application justifies a grant and then consider the size of that grant. We are responsive to urgent grant consideration between meetings if this is judged to be necessary.

● Volunteers

Those Trustees who are office holders carry out their duties on a purely voluntary basis.

● Main activities undertaken to further the Charity's purposes for the public benefit

In addition to the core activities of the Trust: a refreshed website, updates and news spread via the church publications, celebration of works completed following grants made, working in partnership with like-minded organisations and trustee advocacy are now routine.

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance

- **Main achievements of the Charity**

The Grant Making Budget was increased during the year due to demand and increased funding being available.

- **Review of activities**

Continued faithful support from the Sir James Knott Trust/Samares Investments Limited and as a result of funds coming to us from several legacies, we were able to increase our grant offer budget to £75k during the year. Thus we were able to meet increased demand. Our grant offers remained at a maximum of £5k. Planning ahead for increased funds, expected to amount to some £4m being available, we are setting a larger grant making budget in 2023 with the aim of making grant offers exceeding £5k. Having reviewed our Trustee skills we have appointed six new Trustees one of whom, John Anderson, will assume the appointment of Chairman in 2023. We have appointed two financial managers RBC Brewin Dolphin and Rathbones, the auditors Kinnair Associates Limited, created a new website and engaged a new Secretary, Mark Allison, who took over from Kim Pearson on 1 January 2023.

Financial review

- **Overview**

The income of the Charity for the year amounted to £2,753,022 (2022: £23,035) including legacies of £2,714,095 (2022: £nil). Costs amounted to £88,030 (2022: £54,085) giving a surplus of £2,664,992 (2022: deficit of £31,050) before taking account of gains/losses on investments.

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

- **Reserves policy**

As decided in 2020 and beyond, we continued to make annual grant offers totalling £50,000 over the two years to 2022. As our annual operating costs, excluding grants, were just short of £5,000 we continued to hold a reserve of £2,000 which was approximately five months of these costs. We continued to drawdown from our COIF Investment Fund as necessary to meet the demand of grant offers that are claimed.

Following notification of a substantial legacy; the Trust's reserves have increased in 2022 and will increase further in 2023. The Trustees intend to hold a substantial proportion of these reserves in listed investments with a view to achieving both an investment income stream and capital appreciation. The Trustees understand that investing to achieve returns of a meaningful margin over inflation will result in the capital value of the investments fluctuating from time to time.

The Trustees are prepared to tolerate some volatility in the capital value of the Charity's investable assets provided that the Charity meets its grant making commitments, either by way of income generated by investments or the realisation of investments. The Trustees are in the process of reviewing their future grant making policy.

The balance sheet as of 31st January 2023 shows total unrestricted funds of £2,959,275 (2022: £184,068).

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

● Material investments policy

The Trustees have adopted a total return investment approach to generate a combination of income and capital growth. The Charity intends to be a long term investor and on taking professional advice holds a diversified portfolio of listed investments with a view to maintaining the real value of the investment portfolio while providing income for the charity's grant funding activities.

The Trustees have agreed a suitable asset allocation framework with the Investment Managers. Presently the following investment parameters on asset class concentration should be applied:

Asset Class	Minimum	Maximum
Fixed Income	5%	15%
UK Equities	5%	65%
Overseas Equities	5%	65%
Alternatives	5%	25%
Cash	0%	10%

Total equity exposure should not exceed 90% of the Charity's assets.

The investment assets must be readily realisable. The Trustees would not, unless specific authorisation is given, wish to acquire investments in markets where marketability is limited.

An investment in any single company should not exceed 5% of the Charity's assets.

The Trustees seek to refrain from directly investing in companies that are wholly or mainly involved in the manufacture or production of: indiscriminate weaponry, conventional weaponry, pornographic material, tobacco, gambling, non- military firearms, high interest rate lending, human embryonic cloning, extraction of thermal coal and production of oil from oil sands.

● Principal risks and uncertainties

The Trustees regularly review the major risks, to which the Charity may be exposed, particularly those relating to the operation and finances of the Charity.

The key risk to the long-term achievement of the Charity's objective is considered to be inflation so assets are invested accordingly with a sizeable allocation in equities, where dividends can be expected to grow but capital value will fluctuate.

● Financial risk management objectives and policies

The Trustees have appointed two investment managers to manage the investment assets on a discretionary basis in line with the Investment Policy which is expected to mitigate the long term effects of inflation while allowing the Trustees to continue their grant making activities for the public benefit.

The Investment Policy, which will be reviewed every three years, will provide the Investment Managers with a framework for the management of the Charity's investments.

The investment managers are required to present a report on investment performance and future expectations at least annually.

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

• Principal funding

The Charity has received a substantial legacy from which investment income and capital disposals are forecast to provide the majority of the funds the Trustees intend to grant in accordance with the Charity's objectives. However for the long term the Charity will continue to rely upon future donations and legacies as the Trustees forecast that the long term needs of beneficiaries will continue to exceed the funds available.

Structure, governance and management

• Constitution

Northumbria Historic Churches Trust is a registered charity, number 511314, and is constituted under a Trust deed.

• Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The Trust does not have a set number of Trustees. Trustees are appointed on three year terms which are renewable by agreement of all Trustees. We advertise for specific skills and have a general openness to applications to join us. The first step in the appointing process is also the start of induction: an informal discussion with the Chairman to confirm a suitable fit. If both parties are positive, then the applicant is interviewed by two or more Trustees. If still positive the nomination is put to the full board of Trustees for approval. Once this has been achieved references are taken up and the Chairman writes to our founding Bishops: Durham and Newcastle to approve the appointment.

• Organisational structure and decision-making policies

The patron of the Trust is the Duke of Northumberland

The Trust has three presidents:

The Bishop of Durham

The Bishop of Newcastle

The Bishop of Hexham and Newcastle

The Vice presidents are:

The Rt Hon The Lord Beith

Mrs Sue Snowdon

The Duchess of Northumberland

Mrs Susan Winfield OBE

Mrs Lucy Winkell

The Lord Vinson LVO DL

Lord Lieutenant of Durham

Lord Lieutenant of Northumberland

Lord Lieutenant of Tyne and Wear to 18 May 2022

Lord Lieutenant of Tyne and Wear from 18 May 2022

• Policies adopted for the induction and training of Trustees

The Induction process starts with the appointing process. Once appointed the new Trustee is given a copy of our Trust Deed and the previous year's Trustees Report and Financial Statements. Further explanations are then achieved at our meetings. From time to time we hold strategic reviews and involve third parties to help us.

NORTHUMBRIA HISTORIC CHURCHES TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Structure, governance and management (continued)

● Financial risk management

The Trustees have conducted a review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks including the implementation of procedures for authorisation of all transactions and projects and for ensuring the consistent quality of the delivery of all operational aspects of the charity. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Plans for future periods

Once we are satisfied with the re-launch of the Trust, due to our new wealth, we shall revert to periodic reviews of capital, income, grant making and expenses in order to set a sustainable budget.

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.


NORTHUMBRIA HISTORIC CHURCHES TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023**

Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 19 July 2023 and signed on their behalf by:

DocuSigned by:

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John Anderson
(Chair of Trustees)

NORTHUMBRIA HISTORIC CHURCHES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHUMBRIA HISTORIC CHURCHES TRUST

Opinion

We have audited the financial statements of Northumbria Historic Churches Trust (the 'charity') for the year ended 31 January 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

NORTHUMBRIA HISTORIC CHURCHES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHUMBRIA HISTORIC CHURCHES TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHUMBRIA HISTORIC CHURCHES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHUMBRIA HISTORIC CHURCHES TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

NORTHUMBRIA HISTORIC CHURCHES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHUMBRIA HISTORIC CHURCHES TRUST (CONTINUED)

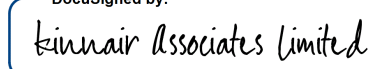
Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Kinnair Associates Limited
Chartered Accountants
Statutory Auditor
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

19 July 2023

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NORTHUMBRIA HISTORIC CHURCHES TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	2,736,530	2,736,530	21,640
Investments	4	16,492	16,492	1,395
Total income		<u>2,753,022</u>	<u>2,753,022</u>	<u>23,035</u>
Expenditure on:				
Raising funds	5	3,402	3,402	-
Charitable activities	8	84,628	84,628	54,085
Total expenditure		<u>88,030</u>	<u>88,030</u>	<u>54,085</u>
Net income/(expenditure) before net gains/(losses) on investments		<u>2,664,992</u>	<u>2,664,992</u>	<u>(31,050)</u>
Net gains/(losses) on investments		110,215	110,215	(3,872)
Net movement in funds		<u><u>2,775,207</u></u>	<u><u>2,775,207</u></u>	<u><u>(34,922)</u></u>
Reconciliation of funds:				
Total funds brought forward		184,068	184,068	218,990
Net movement in funds		2,775,207	2,775,207	(34,922)
Total funds carried forward		<u><u>2,959,275</u></u>	<u><u>2,959,275</u></u>	<u><u>184,068</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 31 form part of these financial statements.

NORTHUMBRIA HISTORIC CHURCHES TRUST

BALANCE SHEET AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	490	-
Investments	13	2,868,058	46,634
		<u>2,868,548</u>	<u>46,634</u>
Current assets			
Debtors	14	2,636	198
Cash at bank and in hand		135,491	185,306
		<u>138,127</u>	<u>185,504</u>
Creditors: amounts falling due within one year	15	(47,400)	(48,070)
Net current assets		<u>90,727</u>	<u>137,434</u>
Total assets less current liabilities		<u>2,959,275</u>	<u>184,068</u>
Net assets excluding pension asset		<u>2,959,275</u>	<u>184,068</u>
Total net assets		<u>2,959,275</u>	<u>184,068</u>
Charity funds			
Unrestricted funds	18	2,959,275	184,068
Total funds		<u>2,959,275</u>	<u>184,068</u>

The financial statements were approved and authorised for issue by the Trustees on 19 July 2023 and signed on their behalf by:

DocuSigned by:

John Anderson

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John Anderson
Chair of Trustees

DocuSigned by:

Laurie McLeman

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Laurie McLeman
Honorary Treasurer

The notes on pages 16 to 31 form part of these financial statements.

NORTHUMBRIA HISTORIC CHURCHES TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	2,645,437	(39,506)
Cash flows from investing activities		
Dividends, interests and rents from investments	16,492	1,395
Purchase of tangible fixed assets	(535)	-
Proceeds from sale of investments	703,025	-
Purchase of investments	(3,414,234)	-
Net cash (used in)/provided by investing activities	(2,695,252)	1,395
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(49,815)	(38,111)
Cash and cash equivalents at the beginning of the year	185,306	223,417
Cash and cash equivalents at the end of the year	135,491	185,306

The notes on pages 16 to 31 form part of these financial statements

NORTHUMBRIA HISTORIC CHURCHES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

1. General information

Northumbria Historic Churches Trust is a registered charity, number 511314. The charity is unincorporated and its principal office is 7 Strothers Road, High Spen, Rowlands Gill, Tyne and Wear, NE39 2HR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance 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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Northumbria Historic Churches Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Charity reported total unrestricted funds at the year end of £2,959,275 and already has a significant amount of funding for the current year. The Trustees are of the view that the immediate future of the Charity for the next 12 to 18 months is secure and that on this basis the Charity is a going concern.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have revised their forecasts to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The COVID-19 pandemic has put many strains on all businesses. It should be noted that the Charity is still able to meet its obligations to fulfilling its contracts with funders and grant offers, who have been flexible about the timescale for delivery.

NORTHUMBRIA HISTORIC CHURCHES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of volunteer help received is not included in the accounts but is described in the Trustees' annual report.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

2. Accounting policies (continued)**2.4 Expenditure (continued)**

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments held as fixed assets are shown at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NORTHUMBRIA HISTORIC CHURCHES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

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

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	21,625	21,625
Legacies	2,714,905	2,714,905
	<u>2,736,530</u>	<u>2,736,530</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	21,640	21,640
	<u>21,640</u>	<u>21,640</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

3. Income from donations and legacies (continued)

It is Trust policy to publish details of individual cash donations and contributions of £500 and over in the current year, unless the donor wishes to be anonymous, included in the table above are the following donations and legacies

4. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from listed investments	16,026	16,026
Interest receivable	466	466
	<u>16,492</u>	<u>16,492</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from listed investments	1,395	1,395
	<u>1,395</u>	<u>1,395</u>

5. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment management fees	3,402	3,402	-
	<u>3,402</u>	<u>3,402</u>	<u>-</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

6. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Grants offered to churches (note 7)	74,132	74,132
	<hr/>	<hr/>
	<i>Grants to Institutions 2022 £</i>	<i>Total funds 2022 £</i>
Grants offered to churches	49,951	49,951
	<hr/>	<hr/>

7. Grants

	2023 £	2022 £
Allendale St Cuthberts	4,825	-
Alnmouth John the Baptist	-	2,000
Alnwick Hexham and Newcastle Diocese	5,000	-
Alston Moor Group	217	1,550
Bensham St Chads	5,000	-
Benwell St James	20	3,200
Brancepeth PCC	5,000	-
Bywell St Peters	(5,000)	5,000
Cornhill St Helens	5,000	-
Durham St Chads	5,000	-
Easington St Marys	1,800	-
Elswick St Matthews PCC	1,360	-
Felton St Michael and All Saints	3,000	-
Gateshead All Saints	5,000	-
Gateshead St Helens	-	5,000
Great Bavington URC	4,498	-
Hartlepool Stranton All Saints	-	5,000
Hartlepool St Hildas	-	5,000
Haydon Bridge St Cuthberts	(3,000)	3,000
Haydon Bridge St Marys	5,000	-
Heighington St Michaels	2,000	-
Hexham Abbey	5,000	-

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

Hexham St Marys	-	1,500
Heddon St Andrews	-	5,000
Jesmond St Georges	-	5,000
Kimblewsworth St Philip and St James	5,000	-
Knaresdale St Judes	-	1,351
Lobley Hill All Saints	1,412	-
Middleton St Marys - offer withdrawn	(10,000)	5,000
Northgate URC	5,000	-
Peterlee St Cuthberts	-	5,000
Rock St Philip and St James	5,000	-
Shotton Colliery St Saviour	5,000	-
Wallsend St Lukes	5,000	-
Wallsend St Peters	-	4,850
Whorlton St Johns	5,000	-
Wingate Holy Trinity	3,000	-
	<u>74,132</u>	<u>57,451</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Direct costs - Activities	<u>84,628</u>	<u>84,628</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Direct costs - Activities	<u>54,085</u>	<u>54,085</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

9. Analysis of expenditure by activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs - Activities	74,132	10,496	84,628

	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs - Activities	49,951	4,134	54,085

Analysis of support costs

	Activities 2023 £	Total funds 2023 £
Depreciation	45	45
Insurance	421	421
IT costs	393	393
General administration	485	485
Financial administrator's and secretary's fees	4,410	4,410
Governance costs	4,200	4,200
Travel expenses	267	267
Donations to churches	275	275
	10,496	10,496

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities 2022 £</i>	<i>Total funds 2022 £</i>
Insurance	382	382
IT costs	210	210
Financial administrator's and secretary's fees	2,882	2,882
Governance costs	660	660
	<hr/> 4,134 <hr/>	<hr/> 4,134 <hr/>

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	4,200	-
Fees payable to the Charity's auditor in respect of: Independent examiner's fees for reporting on accounts	<hr/> - <hr/>	<hr/> 660 <hr/>

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 January 2023, expenses totalling £389 were reimbursed or paid directly to 2 Trustees (2022 - £NIL). These were for travel and advertising expenses.

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

12. Tangible fixed assets

	Computer equipment £
Cost or valuation	
Additions	535
At 31 January 2023	<u>535</u>
Depreciation	
Charge for the year	45
At 31 January 2023	<u>45</u>
Net book value	
At 31 January 2023	<u><u>490</u></u>
At 31 January 2022	<u><u>-</u></u>

13. Fixed asset investments

	Listed investments £	Cash held for re- investment £	Total £
Cost or valuation			
At 1 February 2022	46,634	-	46,634
Additions	3,052,790	361,444	3,414,234
Disposals	(686,416)	-	(686,416)
Revaluations	93,606	-	93,606
At 31 January 2023	<u><u>2,506,614</u></u>	<u><u>361,444</u></u>	<u><u>2,868,058</u></u>
Net book value			
At 31 January 2023	<u><u>2,506,614</u></u>	<u><u>361,444</u></u>	<u><u>2,868,058</u></u>
At 31 January 2022	<u><u>46,634</u></u>	<u><u>-</u></u>	<u><u>46,634</u></u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

14. Debtors

	2023	<i>2022</i>
	£	<i>£</i>
Due within one year		
Prepayments and accrued income	2,600	<i>162</i>
Tax recoverable	36	<i>36</i>
	<u>2,636</u>	<u><i>198</i></u>
	<u>2,636</u>	<u><i>198</i></u>

15. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£	<i>£</i>
Accruals and deferred income	4,400	<i>1,320</i>
Grants offers outstanding (note 16)	43,000	<i>46,750</i>
	<u>47,400</u>	<u><i>48,070</i></u>
	<u>47,400</u>	<u><i>48,070</i></u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

16. Grant offers outstanding at the year end

	2023	2022
	£	£
Alston Moor Group	-	1,550
Bensham St Chads	5,000	-
Benwell St James	-	3,200
Bywell St Peters	-	5,000
Cornhill St Helens	5,000	-
Durham St Chads	5,000	-
Felton St Michael and All Saints	3,000	-
Gateshead All Saints	5,000	-
Hartlepool Stranton All Saints	-	9,000
Hartlepool St Hildas	-	5,000
Haydon Old Church	-	3,000
Haydon Bridge St Marys	5,000	-
Heighington St Michaels	2,000	-
Jesmond St Georges	-	5,000
Kimbleworth St Philip and St James	5,000	-
Middleton St Marys	-	10,000
Peterlee St Cuthberts	-	5,000
Shotton Colliery St Saviour	5,000	-
Wingate Holy Trinity	3,000	-
	<u>43,000</u>	<u>46,750</u>

17. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>3,003,549</u>	<u>231,940</u>

Financial assets measured at fair value through income and expenditure comprise investments and cash at bank.

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

18. Statement of funds

Statement of funds - current year

	Balance at 1 February 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2023 £
Unrestricted funds					
Designated funds					
Designated Funds	2,000	-	(2,000)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General funds					
General Funds	182,068	2,753,022	(86,030)	110,215	2,959,275
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Unrestricted funds	<u>184,068</u>	<u>2,753,022</u>	<u>(88,030)</u>	<u>110,215</u>	<u>2,959,275</u>

Statement of funds - prior year

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2022 £
Unrestricted funds						
Designated funds						
Designated Funds	2,000	-	(2,000)	2,000	-	2,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General funds						
General Funds	216,990	23,035	(52,085)	(2,000)	(3,872)	182,068
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Unrestricted funds	<u>218,990</u>	<u>23,035</u>	<u>(54,085)</u>	<u>-</u>	<u>(3,872)</u>	<u>184,068</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

19. Summary of funds

Summary of funds - current year

	Balance at 1 February 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2023 £
Designated funds	2,000	-	(2,000)	-	-
General funds	182,068	2,753,022	(86,030)	110,215	2,959,275
	<u>184,068</u>	<u>2,753,022</u>	<u>(88,030)</u>	<u>110,215</u>	<u>2,959,275</u>

Summary of funds - prior year

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2022 £
Designated funds	2,000	-	(2,000)	2,000	-	2,000
General funds	216,990	23,035	(52,085)	(2,000)	(3,872)	182,068
	<u>218,990</u>	<u>23,035</u>	<u>(54,085)</u>	<u>-</u>	<u>(3,872)</u>	<u>184,068</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	490	490
Fixed asset investments	2,868,058	2,868,058
Current assets	138,127	138,127
Creditors due within one year	(47,400)	(47,400)
Total	<u>2,959,275</u>	<u>2,959,275</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	46,634	46,634
Current assets	185,504	185,504
Creditors due within one year	(48,070)	(48,070)
Total	<u>184,068</u>	<u>184,068</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>2,775,207</u>	<u>(34,922)</u>
Adjustments for:		
Depreciation charges	45	-
(Gains)/losses on investments	(110,215)	3,872
Dividends, interests and rents from investments	(16,492)	(1,395)
Increase in debtors	(2,438)	(6)
Decrease in creditors	(670)	(7,055)
Net cash provided by/(used in) operating activities	<u>2,645,437</u>	<u>(39,506)</u>

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	135,491	185,306
Total cash and cash equivalents	<u>135,491</u>	<u>185,306</u>

NORTHUMBRIA HISTORIC CHURCHES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

23. Analysis of changes in net debt

	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	185,306	(49,815)	135,491

24. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 January 2023.