

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales · Charity number 512217

Details

Status Registered

Legal form Other

Registered 1982-01-14

Register [View on the Charity Commission register](#)

Contact

Address Mincoffs Llp
5 Osborne Terrace
Jesmond
Newcastle Upon Tyne
NE2 1SQ

Phone 07818001884

Email TGRAY@MINCOFFS.CO.UK

Activities

Objects: THE ESTATE TRUSTEES SHALL PAY OUT OF THE YEARLY INCOME OF THE ESTATE CHARITY (A) £400 TO THE VICAR FOR THE TIME BEING OR PRIEST IN CHARGE OF THE ECCLESIASTICAL PARISH OF SAINT MATTHEW AND SAINT MARY THE VIRGIN, NEWCASTLE UPON TYNE FOR HIS OWN USE AND BENEFIT, AND (B) £1000 TO THE DIRECTORS OF THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL FOR APPLICATION IN ADVANCING THE FULL-TIME FURTHER EDUCATION OF PERSONS UNDER THE AGE OF 25. 53% OF RESIDUE TO THE GOVERNORS OF THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL AND 47% OF RESIDUE TO ALMSHOUSE TRUSTEES. FOR FULL DETAILS SEE SCHEME.

Activities: The object of the Charity is to administer and manage the property in its care. The income of the Estate Charity is to be applied as follows: 1. Making small awards made under the governing scheme 2. For the benefit of Newcastle Royal Grammar School - 53% of the balance 3. As to the remainder for the related Almshouses Charity for the running of two residential homes

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People

Geography

- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£460,281	£460,281	-	-
2024-03-31	£461,946	£461,946	-	-
2023-03-31	£457,155	£457,155	-	-
2022-03-31	£442,187	£442,187	-	-
2021-03-31	£440,557	£440,557	-	-

Trustees

Name	Role	Appointed
Dr HAZEL JONES-LEE		2014-09-26
GILES CURSON HUNTER		1979-08-14
James Watson Kyle		2022-09-23
Michael Denis Barker		2025-09-26
Michael Francis Richardson		2025-06-10
Nicola Miller		2025-04-14
Ramandeep Singh Sanghera		2025-07-01
Stephen John Lightley		2015-09-25

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales - Charity number 512217

Accounts

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees	Mr S J Lightley, Chairman Mr N Paton, Vice Chairman (resigned 1 July 2025) Ms R Amey (resigned 14 April 2025) Mr M Barker (appointed 26 September 2025) Mr A Birkmyre (resigned 9 April 2025) Mr G C Hunter Mr J W Kyle Dr H Jones- Lee Ms N Miller (appointed 14 April 2025) Mrs C S Penn (resigned 2 September 2025) Mr M Richardson (appointed 10 June 2025) Mr R Singh Sanghera (appointed 1 July 2025)
Charity registered number	512217
Principal office	5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Independent auditors	Kinnair Associates Limited Chartered Accountants Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Solicitors	Mincoffs Solicitors 5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Clerk to the Trustees	Timothy Rohan Gray
Deputy Clerk to the Trustees	Christopher Hughes

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 April 2024 to 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the trusts of the Charity.

Achievements and performance

● Review of activities

Net investment income was £77k (2024: £75k). More recently, issues with the global economy and the conflict in the Ukraine, accompanied by high levels of inflation and interest rates, have affected the current performance of equity investments adversely.

Rental income has fallen marginally this year reflecting principally a rent reduction on one of the Charity's properties at the time of an extension of that lease. Property outgoings have reduced reflecting full occupancy at some formerly vacant units. As a result, net property income was £359k (2024: £362k).

General administrative costs have increased slightly from last year.

Share investment values have decreased by £29k.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Achievements and performance (continued)

● **Investment policy and performance**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The Charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio total return was +2.9% for the year to 31 March 2025 (2024: +11.8%). This compares with total returns for the following indices:

	Year to 31.03.25	Year to 31.03.24
BD Risk Category 6 Benchmark	+6.5%	+ 13.4%
FTSE British Government All Stocks Index	- 1.2%	- 0.0%
Iboxx £ Corporate Bond Index	+ 2.3%	+ 7.4%
FTSE All Share Index	+ 10.5%	+ 8.4%
FTSE All World Ex UK Index	+ 5.2%	+ 21.4%
IA Property Index	+ 6.2%	- 3.5%
IA Targeted Absolute Return Index	+ 4.5%	+ 6.3%

The Brewin Dolphin Risk Category 6 Benchmark comprises 3.5% UK Gilts, 2.5% UK Bonds, 11% Overseas Bonds, 17% UK Equities, 51.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

Global equities continued to make new highs at the start of the year supported by resilience in the US economy and the increasing prospects of a 'soft landing'. There was a clear divergence in US and Eurozone market performances and, while the S&P 500 and NASDAQ Composite indexes reached record highs as investors continued piling into tech stocks, Europe ended barely in the black.

However, the momentum built up over the previous couple of months stalled in the latter half of July and, after the global 'Crowdstrike' outage, investors began to look for alternative ways of playing the spread of artificial intelligence (AI). August was also something of a rollercoaster ride as, with inflation concerns falling, a US employment report came in below forecasts for only the fifth time in the previous two years. The possibility of a US recession became a greater concern and was initially thought to be the catalyst for the sell-off in technology stocks. However, with US rates set to decline the (fairly long running) dollar/Yen carry trade became less attractive and, in early August, the yen started to appreciate very fast. This put pressure on investors being squeezed out of the trade to reduce positions and the Japanese TOPIX index fell a stunning 12% in a single session. The knock-on effects were felt across global markets and the gains made by semi-conductor and AI-related stocks were particularly targeted.

At the beginning of November the action was dominated by the US presidential election. The reaction to the results was largely intuitive and equities generally benefited, reflecting the prospect of less regulation and potentially lower taxes. However, the election of President Trump warranted an increased premium for risky assets and the imposition of tariffs, which could reduce global growth and re-fuel inflation, and saw treasury yields rise sharply.

It was always likely to be a lively start to 2025 but major markets performed well in January. Even so, the performance of the US equity market had been broadening out since the election in November and, although 2024 had been a strong year for the 'Magnificent Seven' mega-cap stocks, the month saw the group lose further ground against the wider market.

There have been two distinct phases to the market action since the US election. The first was a repeat of the 'Trump bump' experienced in his first term and this took place after the result confirmed he would have a second term, as investors reacted to the prospect of anticipated benefits, such as reduced regulation and the possibility

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance (continued)

of tax cuts. However, the bump became a slump and, from mid-February, there was a sharp sell-off for global equities, driven almost entirely by the US. The most obvious rationale for the sell-off was trade tariffs and the dramatic escalation in President Trump's global trade war.

A handful of UK stocks have weighed on relative performance. The UK market is closely linked to the performance of value versus growth, and, while there are reasons to believe that the outlook for the growth style is brighter, we consider that some diversification continues to make sense. The domestic allocation also makes a significant contribution to portfolio income.

Financial review

- **Going concern**

The Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

- **Reserves policy**

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investment properties, other investments and funds awaiting investment and changes in those reserves result from changes in the value of investment properties and other investments as dictated by the Investment Policy.

Structure, governance and management

- **Constitution**

St Mary the Virgin Estate Management Charity is a registered charity, number 512217, and is constituted under a Trust deed.

It is regulated by The Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, 20 September 2000 and 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity, referred to as the Almshouses Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Structure, governance and management (continued)

● **Organisational structure and decision-making policies**

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

One appointed by the Bishop of Newcastle;

Two appointed by the Almshouse Trustees;

Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

Appointed by a special resolution of the Estate Management Trustees.

● **Policies adopted for the induction and training of Trustees**

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

● **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels but the Trustees will keep this under review.

The lease at the York property has been extended in November 2024 at a reduced rental and as a result the Trustees anticipate a significant drop in income from property in the coming financial year.

The Trustees anticipate that dividend receipts will remain at a reduced level for the foreseeable future and so amounts available for distribution to the Charity's beneficiaries will continue generally lower than a few years ago. The Trustees are mindful of the adverse effect that this has on the interests of the Charity's beneficiaries.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

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.

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
26-Sep-2025 and signed on their behalf by:

Signed by:

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Mr S J Lightley

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY**

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'charity') for the year ended 31 March 2025 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 March 2025 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY (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 sector;
- we focused on specific laws and regulations which we consider 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 regulations;
- 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 are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (CONTINUED)**

There are inherent limitations in our anticipated 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. 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:

Kinnair Associates Limited

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Kinnair Associates Limited

Chartered Accountants

Statutory Auditor

Aston House

Redburn Road

Newcastle upon Tyne

NE5 1NB

Date: 26-Sep-2025

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

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Endowment funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income and endowments from:					
Investments	3	-	446,676	446,676	450,119
Other income	4	-	13,605	13,605	11,827
Total income and endowments		-	460,281	460,281	461,946
Expenditure on:					
Raising funds	5	-	23,986	23,986	24,868
Charitable activities	7	-	436,295	436,295	437,078
Total expenditure		-	460,281	460,281	461,946
Net income before net gains on investments					
		-	-	-	-
Net gains on investments		60,381	-	60,381	155,300
Net movement in funds		60,381	-	60,381	155,300
Reconciliation of funds:					
Total funds brought forward		7,152,986	-	7,152,986	6,997,686
Net movement in funds		60,381	-	60,381	155,300
Total funds carried forward		7,213,367	-	7,213,367	7,152,986

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

The notes on pages 13 to 25 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**BALANCE SHEET
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
Fixed assets			
Investments	13	2,569,886	2,601,194
Investment property	12	4,580,000	4,505,000
		7,149,886	7,106,194
Current assets			
Debtors	14	18,078	36,562
Cash at bank and in hand		173,820	131,577
		191,898	168,139
Current liabilities			
Creditors: amounts falling due within one year	15	(128,417)	(121,347)
Net current assets		63,481	46,792
Total assets less current liabilities		7,213,367	7,152,986
Total net assets		7,213,367	7,152,986
Charity funds			
Endowment funds	17	7,213,367	7,152,986
Total funds		7,213,367	7,152,986

The financial statements were approved and authorised for issue by the Trustees on 26-Sep-2025 and signed on their behalf by:

Signed by:

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Mr S J Lightley

The notes on pages 13 to 25 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. General information

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

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.

St Mary the Virgin Estate Management Charity 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 Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low. The Trustees are satisfied 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.

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.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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

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.

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 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 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.

2.9 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Investment income

	Restricted funds 2025 £	Total funds 2025 £
Rent receivable	354,947	354,947
Dividends and interest on investment	90,340	90,340
Bank deposit interest	1,389	1,389
	<u>446,676</u>	<u>446,676</u>

	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Rent receivable	362,016	362,016
Dividends and interest on investment	85,878	85,878
Bank deposit interest	2,225	2,225
	<u>450,119</u>	<u>450,119</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Other incoming resources

	Restricted funds 2025 £	Total funds 2025 £
Reimbursement of insurance premiums	13,605	13,605

	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Reimbursement of insurance premiums	11,827	11,827

5. Investment management costs

	Restricted funds 2025 £	Total funds 2025 £
Investment management fees	13,845	13,845
Outgoings on investment properties	10,141	10,141
	<u>23,986</u>	<u>23,986</u>

	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Investment management fees	13,061	13,061
Outgoings on investment properties	11,807	11,807
	<u>24,868</u>	<u>24,868</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	£	£
Outgoings on properties		
Insurance	1,641	11,807
Professional fees	8,500	-
	10,141	11,807
	10,141	11,807

6. Analysis of grants

	Grants to Institutions 2025	Total funds 2025
	£	£
Payment of grants to institutions	406,732	406,732
	406,732	406,732

	<i>Grants to Institutions 2024</i>	<i>Total funds 2024</i>
	£	£
Payment of grants to institutions	412,339	412,339
	412,339	412,339

The Charity has made the following material grants to institutions during the year:

	2025	2024
	£	£
Name of institution		
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	400	400
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	1,000	1,000
The Governors of the Newcastle upon Tyne Grammar School	214,826	217,798
The Trustees of the Almshouses Charity	190,506	193,141
	406,732	412,339
	406,732	412,339

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2025 £	Total 2025 £
Grant making activities	436,295	436,295
	<i>Restricted funds 2024 £</i>	<i>Total 2024 £</i>
Grant making activities	437,078	437,078

8. Analysis of expenditure by activities

	Direct costs - grant making activities 2025 £	Support costs 2025 £	Total funds 2025 £
Grant making activities	406,732	29,563	436,295
	<i>Direct costs - grant making activities 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Grant making activities	412,339	24,739	437,078

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2025 £	Total funds 2025 £
Bank charges	293	293
Clerk's fees	11,250	11,250
Professional charges	8,550	8,550
Governance costs	9,042	9,042
Trustees' indemnity insurance	428	428
	<hr/> 29,563 <hr/>	<hr/> 29,563 <hr/>

	<i>Activities 2024 £</i>	<i>Total funds 2024 £</i>
Bank charges	279	279
Clerk's fees	11,250	11,250
Professional charges	4,058	4,058
Governance costs	8,790	8,790
Trustees' indemnity insurance	362	362
	<hr/> 24,739 <hr/>	<hr/> 24,739 <hr/>

Governance costs comprise:

	2025 £	2024 £
Governance auditors' remuneration	5,292	5,040
Clerk's fees	3,750	3,750
	<hr/> 9,042 <hr/>	<hr/> 8,790 <hr/>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,550	3,440
Fees payable to the Charity's auditor in respect of: VAT and other professional services	1,742	1,600
	1,742	1,600

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

11. Net gains/(losses) on investments

	2025 £	2024 £
Gains/(losses) on disposal of share investment assets	14,868	3,173
Gains/(losses) on revaluations of share investment assets	(29,487)	187,127
Gains/(losses) on revaluations of investment properties	75,000	(35,000)
	60,381	155,300

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2024	4,505,000
Gain on revaluation	75,000
	4,580,000
At 31 March 2025	4,580,000

The desktop valuations were made in August 2025 by Naylor's Gavin Black, Chartered Surveyors, on an open market value for existing use basis.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2024	2,597,372	3,822	2,601,194
Additions	402,000	18,280	420,280
Disposals	(422,101)	-	(422,101)
Revaluations	(29,487)	-	(29,487)
At 31 March 2025	<u>2,547,784</u>	<u>22,102</u>	<u>2,569,886</u>
Net book value			
At 31 March 2025	<u>2,547,784</u>	<u>22,102</u>	<u>2,569,886</u>
<i>At 31 March 2024</i>	<u>2,597,372</u>	<u>3,822</u>	<u>2,601,194</u>

14. Debtors

	2025 £	2024 £
Due within one year		
Rent and insurance debtors	10,130	24,054
The Hospital of St Mary the Virgin Almshouses Charity	-	4,144
Prepayments and accrued income	7,948	8,364
	<u>18,078</u>	<u>36,562</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Rent deposits	17,438	-
The Hospital of St Mary the Virgin Almshouses Charity	10,613	-
Other taxation and social security	2,700	22,723
The Newcastle upon Tyne Royal Grammar School	14,263	1,328
Accruals and deferred income	83,403	97,296
	<u>128,417</u>	<u>121,347</u>

Included in accruals and deferred income above is deferred income of £71,272 (2024: £86,636) representing rental income received in advance.

16. Financial instruments

	2025	2024
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,547,784</u>	<u>2,597,372</u>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2025
	£	£	£	£	£
Endowment funds					
Endowment Funds - all funds	7,152,986	-	-	60,381	7,213,367
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Restricted Funds - all funds	-	460,281	(460,281)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	7,152,986	460,281	(460,281)	60,381	7,213,367
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Statement of funds - prior year

	<i>Balance at 1 April 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2024</i>
	£	£	£	£	£
Endowment funds					
Endowment Funds	<i>6,997,686</i>	-	-	<i>155,300</i>	<i>7,152,986</i>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Restricted Funds	-	<i>461,946</i>	<i>(461,946)</i>	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<i>6,997,686</i>	<i>461,946</i>	<i>(461,946)</i>	<i>155,300</i>	<i>7,152,986</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2025
	£	£	£	£	£
Endowment funds	7,152,986	-	-	60,381	7,213,367
Restricted funds	-	460,281	(460,281)	-	-
	<u>7,152,986</u>	<u>460,281</u>	<u>(460,281)</u>	<u>60,381</u>	<u>7,213,367</u>

Summary of funds - prior year

	<i>Balance at 1 April 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2024</i>
	£	£	£	£	£
Endowment funds	6,997,686	-	-	155,300	7,152,986
Restricted funds	-	461,946	(461,946)	-	-
	<u>6,997,686</u>	<u>461,946</u>	<u>(461,946)</u>	<u>155,300</u>	<u>7,152,986</u>

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the trusts of the Charity.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Fixed asset investments	2,569,886	-	2,569,886
Investment property	4,580,000	-	4,580,000
Current assets	63,481	128,417	191,898
Creditors due within one year	-	(128,417)	(128,417)
Total	7,213,367	-	7,213,367

Analysis of net assets between funds - prior year

	<i>Endowment funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Fixed asset investments	2,601,194	-	2,601,194
Investment property	4,505,000	-	4,505,000
Current assets	46,792	121,347	168,139
Creditors due within one year	-	(121,347)	(121,347)
Total	7,152,986	-	7,152,986

20. Related party transactions

The Charity is constituted under a trust deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School at the year-end are shown within the creditors due within one year note to the financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales - Charity number 512217

Accounts

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees	Mr S J Lightley, Chairman Mr N Paton, Vice Chairman Ms R Amey Mr A Birkmyre Mr G C Hunter Dr H Jones- Lee Mrs C S Penn M J W Kyle
Charity registered number	512217
Principal office	5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Independent auditors	Kinnair Associates Limited Chartered Accountants Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Solicitors	Mincoffs Solicitors 5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Clerk to the Trustees	Timothy Rohan Gray
Deputy Clerk to the Trustees	Christopher Hughes

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the charity for the year from 1 April 2023 to 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

Achievements and performance

● Review of activities

Net investment income was £75k (2023: £68k). More recently, issues with the global economy, disruption to manufacturing supply chains and the conflict in the Ukraine, accompanied by rising inflation and interest rates, have affected the current performance of equity investments adversely.

Rental income has fallen marginally this year reflecting a small provision against recoverability from one tenant. Property outgoings have reduced slightly. As a result, net property income was £362k (2023: £364k).

General administrative costs have reduced slightly from last year.

Share investment values have increased by £190k whilst property valuations have reduced by £35k.

The Charity's investment properties have been revalued as at 31 March 2024 and this has resulted in a reduction in value of the overall portfolio of £35,000, including a significant reduction in the value of one

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Achievements and performance (continued)

property in York.

The property sits on a retail street in central York which, in common with many high streets, has suffered a drop in trade. The street is, however, likely to be redeveloped within the foreseeable future and accordingly, rather than crystallise a substantial loss, the Trustees have resolved to hold onto the property on the basis that its value is likely to increase in the future.

• **Investment policy and performance**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio total return was +11.8% for the year to 31 March 2024 (2023: -5.9%). This compares with total returns for the following indices:

	Year to 31.03.24	Year to 31.03.23
BD Risk Category 6 Benchmark	13.4%	- 1.4%
FTSE British Government All Stocks Index	- 0.0%	- 16.3%
Iboxx £ Corporate Bond Index	+ 7.4%	- 10.6%
FTSE All Share Index	+ 8.4%	+ 2.9%
FTSE All World Ex UK Index	+ 21.4%	- 0.9%
IA Property Index	- 3.5%	- 8.4%
IA Targeted Absolute Return Index	+ 6.3%	+ 0.3%

The Brewin Dolphin Risk Category 6 Benchmark comprises 3.5% UK Gilts, 2.5% UK Bonds, 11% Overseas Bonds, 19% UK Equities, 49.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

2023 had started well and largely confounded forecasts with the global economy generally proving to be stronger than anticipated. The trends continued into the second quarter, essentially 2022's losers becoming 2023's winners as the technology sector bounced back from the previous year's rout. Growth and quality styles were at the forefront, although performance was mainly powered by a handful of mega-cap US tech stocks. The one topic the market became extremely excited about was Artificial Intelligence (AI). Overall, markets stabilised after the banking turmoil in March which saw US banks Signature and SVB go bust and Swiss bank Credit Suisse get taken over by rival UBS, and the deficit in annual relative performance narrowed markedly this period as a dreadful first quarter of 2022 fell out of the calculation.

Thereafter, however, it was a struggle to make further progress and 2023 gains were pared back. July and August had already been fairly mixed and September proved to be typically weak as global markets faltered and led to the worst month for a year. Hopes for a broadening of the rally were not met and, instead, leadership changed, with energy taking over the mantle from technology companies. Easing inflation and upward surprises for growth had been supportive for most of the year but the dynamic changed and higher energy prices complicated those stories and became the latest conundrum for central banks.

The weakness continued into the final quarter of 2023 before the most tangible signs of an easing in inflation came through and convinced investors that major Western central banks were moving closer to a much awaited pivot, from raising to cutting interest rates. As the end of the year approached, a 'Santa rally' compounded gains and saw global equity markets register a rise of over 15% from late October. The S&P 500 index traded close to a record, the NASDAQ 100 had its best year since 1999, and the global bond market saw its biggest two-month gain on record.

Markets have rallied strongly for the last 18 months and a positive quarter at the start of 2024 built on the gains

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Achievements and performance (continued)

that were most noticeable from late 2023. The S&P 500 reached new all-time highs and, from a technical perspective, it was encouraging to see evidence of leadership shifting from technology and growth stocks to a broader range of companies.

The US and Japan were well ahead of other regions although, for UK investors, returns from the latter have been affected throughout the year by significant weakness in the Yen. As investors switched out of value and income producing sectors the UK was a (relative) straggler and concerns over the Chinese economy saw Far East and emerging markets lag developed market returns significantly.

Financial review

● **Going concern**

The Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

● **Reserves policy**

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investment properties, other investments and funds awaiting investment and changes in those reserves result from changes in the value of investment properties and other investments as dictated by the Investment Policy.

Structure, governance and management

● **Constitution**

St Mary the Virgin Estate Management Charity is a registered charity, number 512217, and is constituted under a Trust deed.

It is regulated by the Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, 20 September 2000 and 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity, referred to as the Almshouses Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Structure, governance and management (continued)

● **Organisational structure and decision-making policies**

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

One appointed by the Bishop of Newcastle;

Two appointed by the Almshouse Trustees;

Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

Appointed by a special resolution of the Estate Management Trustees.

● **Policies adopted for the induction and training of Trustees**

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

● **Financial risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels but the Trustees will keep this under review.

The Trustees do not anticipate much change in the Charity's income from investment properties in the coming financial year ending 31 March 2025. However, the lease at the York property, referred to earlier, expires in November 2025 and the Trustees anticipate a significant drop in income from that property from that time.

The Trustees anticipate that dividend receipts will remain at a reduced level for the foreseeable future and so amounts available for distribution to the Charity's beneficiaries will continue generally lower than in previous years. The Trustees are mindful of the adverse effect that this has on the interests of the Charity's beneficiaries.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

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

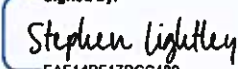
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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.

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 15 October 2024 and signed on their behalf by:

Signed by:

EAF14BF17BCC480

Mr S J Lightley

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY**

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'charity') for the year ended 31 March 2024 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 March 2024 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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 sector;
- we focused on specific laws and regulations which we consider 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 regulations;
- 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 are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (CONTINUED)**

There are inherent limitations in our anticipated 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. 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:

Kinnair Associates Limited

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

15 October 2024

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

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Endowment funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:					
Investments	3	-	450,119	450,119	444,622
Other income	4	-	11,827	11,827	12,533
Total income and endowments		-	461,946	461,946	457,155
Expenditure on:					
Raising funds	5	-	24,868	24,868	25,763
Charitable activities	7	-	437,078	437,078	431,392
Total expenditure		-	461,946	461,946	457,155
Net income before net gains/(losses) on investments					
		-	-	-	-
Net gains/(losses) on investments		155,300	-	155,300	(173,639)
Net movement in funds		155,300	-	155,300	(173,639)
Reconciliation of funds:					
Total funds brought forward		6,997,686	-	6,997,686	7,171,325
Net movement in funds		155,300	-	155,300	(173,639)
Total funds carried forward		7,152,986	-	7,152,986	6,997,686

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

The notes on pages 13 to 25 form part of these financial statements.

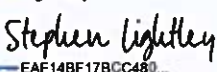
ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
Fixed assets			
Investments	13	2,601,194	2,426,393
Investment property	12	4,505,000	4,540,000
		<u>7,106,194</u>	<u>6,966,393</u>
Current assets			
Debtors	14	36,562	61,206
Cash at bank and in hand		131,577	179,085
		<u>168,139</u>	<u>240,291</u>
Creditors: amounts falling due within one year	15	(121,347)	(208,998)
Net current assets		<u>46,792</u>	<u>31,293</u>
Total assets less current liabilities		<u>7,152,986</u>	<u>6,997,686</u>
Total net assets		<u><u>7,152,986</u></u>	<u><u>6,997,686</u></u>
Charity funds			
Endowment funds	17	7,152,986	6,997,686
Total funds		<u><u>7,152,986</u></u>	<u><u>6,997,686</u></u>

The financial statements were approved and authorised for issue by the Trustees on 15 October 2024 and signed on their behalf by:

Signed by:


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Mr S J Lightley

The notes on pages 13 to 25 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

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.

St Mary the Virgin Estate Management Charity 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 Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

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.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.4 Expenditure (continued)

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.

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 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 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.

2.9 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Investment income

	Restricted funds 2024 £	Total funds 2024 £
Rent receivable	362,016	362,016
Dividends and interest on investment	85,878	85,878
Bank deposit interest	2,225	2,225
	<u>450,119</u>	<u>450,119</u>

	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Rent receivable	364,200	364,200
Dividends and interest on investment	79,736	79,736
Bank deposit interest	686	686
	<u>444,622</u>	<u>444,622</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. Other incoming resources

	Restricted funds 2024 £	Total funds 2024 £
Reimbursement of insurance premiums	11,827	11,827
	<u>11,827</u>	<u>11,827</u>
	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Reimbursement of insurance premiums	12,533	12,533
	<u>12,533</u>	<u>12,533</u>

5. Investment management costs

	Restricted funds 2024 £	Total funds 2024 £
Investment management fees	13,061	13,061
Outgoings on investment properties	11,807	11,807
	<u>24,868</u>	<u>24,868</u>
	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment management fees	12,546	12,546
Outgoings on investment properties	13,217	13,217
	<u>25,763</u>	<u>25,763</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	£	£
Outgoings on properties		
Insurance	11,807	12,533
Property repairs	-	684
	11,807	13,217
	11,807	13,217

6. Analysis of grants

	Grants to Institutions 2024	Total funds 2024
	£	£
Payment of grants to institutions	412,339	412,339
	412,339	412,339
	412,339	412,339

	Grants to Institutions 2023	Total funds 2023
	£	£
Payment of grants to institutions	404,623	404,623
	404,623	404,623
	404,623	404,623

The charity has made the following material grants to institutions during the year:

	2024	2023
	£	£
Name of institution		
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	400	400
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	1,000	1,000
The Governors of the Newcastle upon Tyne Grammar School	217,798	213,708
The Trustees of the Almshouses Charity	193,141	189,515
	412,339	404,623
	412,339	404,623

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Total 2024 £
Direct costs - Grant making activities	<u>437,078</u>	<u>437,078</u>
	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Direct costs - Grant making activities	<u>431,392</u>	<u>431,392</u>

8. Analysis of expenditure by activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Direct costs - Grant making activities	<u>412,339</u>	<u>24,739</u>	<u>437,078</u>

	<i>Grant funding of activities 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Direct costs - Grant making activities	<u>404,623</u>	<u>26,769</u>	<u>431,392</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2024 £	Total funds 2024 £
Bank charges	279	279
Clerk's fees	11,250	11,250
Professional charges	4,058	4,058
Governance costs	8,790	8,790
Trustees' indemnity insurance	362	362
	<u>24,739</u>	<u>24,739</u>

	<i>Activities 2023 £</i>	<i>Total funds 2023 £</i>
Bank charges	341	341
Clerk's fees	11,250	11,250
Professional charges	6,267	6,267
Governance costs	8,550	8,550
Trustees' indemnity insurance	361	361
	<u>26,769</u>	<u>26,769</u>

Governance costs comprise:

	2024 £	2023 £
Governance auditors' remuneration	5,040	4,800
Clerk's fees	3,750	3,750
	<u>8,790</u>	<u>8,550</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. Auditors' remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,200	4,000
Fees payable to the charity's auditor in respect of: VAT and other professional services	1,300	1,171
	<u>5,500</u>	<u>5,171</u>

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

11. Net gains/(losses) on investments

	2024 £	2023 £
Gains/(losses) on disposal of share investment assets	3,173	(14,170)
(Gains/(losses) on revaluations of share investment assets	187,127	(159,469)
Losses on revaluations of investment properties	(35,000)	-
	<u>155,300</u>	<u>(173,639)</u>

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2023	4,540,000
Deficit on revaluation	(35,000)
	<u>4,505,000</u>
At 31 March 2024	<u>4,505,000</u>

The desktop valuations were made in September 2024 by Naylor's Gavin Black, chartered surveyors, on an open market value for existing use basis.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2023	2,343,948	82,445	2,426,393
Additions	263,787	(78,623)	185,164
Disposals	(197,490)	-	(197,490)
Revaluations	187,127	-	187,127
At 31 March 2024	<u>2,597,372</u>	<u>3,822</u>	<u>2,601,194</u>
Net book value			
At 31 March 2024	<u>2,597,372</u>	<u>3,822</u>	<u>2,601,194</u>
At 31 March 2023	<u>2,343,948</u>	<u>82,445</u>	<u>2,426,393</u>

14. Debtors

	2024 £	2023 £
Due within one year		
Rent and insurance debtors	24,054	53,221
The Hospital of St Mary the Virgin Almshouses Charity	4,144	-
Prepayments and accrued income	8,364	7,985
	<u>36,562</u>	<u>61,206</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
The Hospital of St Mary the Virgin Almshouses Charity	-	36,775
Other taxation and social security	22,723	27,953
The Newcastle upon Tyne Royal Grammar School	1,328	46,470
Accruals and deferred income	97,296	97,800
	<u>121,347</u>	<u>208,998</u>

Included in accruals and deferred income above is deferred income of £86,636 (2023: £84,430) representing rental income received in advance.

16. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,597,372</u>	<u>2,343,948</u>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
Endowment funds					
Endowment Funds	<u>6,997,686</u>	<u>-</u>	<u>-</u>	<u>155,300</u>	<u>7,152,986</u>
Restricted funds					
Restricted Funds	<u>-</u>	<u>461,946</u>	<u>(461,946)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>6,997,686</u></u>	<u><u>461,946</u></u>	<u><u>(461,946)</u></u>	<u><u>155,300</u></u>	<u><u>7,152,986</u></u>

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Endowment funds					
Endowment Funds	<u>7,171,325</u>	<u>-</u>	<u>-</u>	<u>(173,639)</u>	<u>6,997,686</u>
Restricted funds					
Restricted Funds	<u>-</u>	<u>457,155</u>	<u>(457,155)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>7,171,325</u></u>	<u><u>457,155</u></u>	<u><u>(457,155)</u></u>	<u><u>(173,639)</u></u>	<u><u>6,997,686</u></u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
Endowment funds	6,997,686	-	-	155,300	7,152,986
Restricted funds	-	461,946	(461,946)	-	-
	<u>6,997,686</u>	<u>461,946</u>	<u>(461,946)</u>	<u>155,300</u>	<u>7,152,986</u>

Summary of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
Endowment funds	7,171,325	-	-	(173,639)	6,997,686
Restricted funds	-	457,155	(457,155)	-	-
	<u>7,171,325</u>	<u>457,155</u>	<u>(457,155)</u>	<u>(173,639)</u>	<u>6,997,686</u>

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Fixed asset investments	2,601,194	-	2,601,194
Investment property	4,505,000	-	4,505,000
Current assets	46,792	121,347	168,139
Creditors due within one year	-	(121,347)	(121,347)
Total	7,152,986	-	7,152,986

Analysis of net assets between funds - prior period

	<i>Endowment funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Fixed asset investments	2,426,393	-	2,426,393
Investment property	4,540,000	-	4,540,000
Current assets	31,293	208,998	240,291
Creditors due within one year	-	(208,998)	(208,998)
Total	6,997,686	-	6,997,686

20. Related party transactions

The Charity is constituted under a trust deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School at the year-end are shown within the creditors due within one year note to the financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales - Charity number 512217

Accounts

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

Trustees Mr S J Lightley, Chairman
Mr N Paton, Vice Chairman
Ms R Amey
Mr A Birkmyre
Mr G C Hunter
Dr H Jones- Lee
Mrs C S Penn
M J W Kyle (appointed 23 September 2022)

**Charity registered
number** 512217

Principal office 5 - 7 Osborne Terrace
Newcastle upon Tyne
NE2 1SQ

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

Bankers National Westminster Bank plc
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

Solicitors Mincoffs Solicitors
5 - 7 Osborne Terrace
Newcastle upon Tyne
NE2 1SQ

Clerk to the Trustees Timothy Rohan Gray

**Deputy Clerk to the
Trustees** Christopher Hughes

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the charity for the year from 1 April 2022 to 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

Achievements and performance

• Review of activities

Net investment income was £68k (2022: £65k). More recently, issues with the global economy, disruption to manufacturing supply chains and the conflict in the Ukraine, accompanied by rising inflation and interest rates, have affected the current performance of equity investments adversely.

Rental income has increased a little this year reflecting a period of void at one property last year. Property outgoings have fallen this year reflecting the end of the void period at one property last year. As a result, net property income was £351k (2022: £332k).

General administrative costs are a little higher this year than last year because of additional professional fees of £3k arising primarily from fees for strategic investment advice.

Share investment values have decreased by £174k whilst property valuations remain unchanged.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

Achievements and performance (continued)

• Investment policy and performance

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The charity remains a long-term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio total return was -3.2% for the year to 31 March 2023 (2022: +10.3%). This compares with total returns for the following indices:

	Year to 31.03.23	Year to 31.03.22
BD Risk Category 6 Benchmark	- 1.4%	+ 9.6%
FTSE British Government All Stocks Index	- 16.3%	- 5.1%
Iboxx £ Corporate Bond Index	- 10.6%	- 5.5%
FTSE All Share Index	+ 2.9%	+ 13.0%
FTSE All World Ex UK Index	- 0.9%	+ 12.6%
IA Property Index	- 8.4%	+ 23.6%
IA Targeted Absolute Return Index	+ 0.3%	+ 2.5%

The Brewin Dolphin Risk Category 6 Benchmark comprises 2.0% UK Gilts, 2.5% UK Bonds, 12.5% Overseas Bonds, 19% UK Equities, 49.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

The challenges of the previous year continued and, with mounting evidence of slowing economic growth, global equity markets reached a level more than 20% below the January 2022 peak in the opening quarter, the standard definition of a bear market. Inflation continued to be more persistent than hoped with the impact being felt most acutely through energy and food prices. As the year progressed central banks were forced onto a more aggressive path of monetary tightening and this has heightened uncertainty over the likelihood, and timing, of a global recession.

However, as valuations started to appear more attractive, equities found a stronger footing and some of the quality companies in the portfolio started to do better. There were very few disappointments in the areas that we prefer in 'results season' when companies update on profits. The better tone continued up until the last week of August when Federal Reserve Governor Powell delivered a highly anticipated speech at the Jackson Hole Symposium and clarified that softer inflation prints fell far short of what is needed, and that the Fed was wary of pausing rate rises prematurely. In September, the FTSE 100 lost 3% as Chancellor Kwasi Kwarteng's raft of tax cuts increased inflation concerns and fears that aggressive rate hikes would ensue. The pound hit a record low as investors reacted to Kwarteng's mini-budget, which included a much bigger package of tax cuts than had been expected and raised concerns about a surge in government borrowing. The Bank of England was forced to start a temporary programme of bond purchases to stabilise the long-dated end of the gilt market.

After an encouraging start to 2023, stock markets fell back in February as the 'good news is bad news' narrative gained the upper hand and strong economic data pointed towards more interest rate rises. There was a challenging few weeks in March as the failure of a US regional bank was enough to create some alarm in markets that still remember the 2008/09 Global Financial Crisis.

It was a challenging year due to the type of stocks that have outperformed. All sectors have substantially underperformed the huge gains from energy and it has been hard for balanced portfolios to match this narrowly-based trend. Bond markets have fallen significantly more than equities and, overall, there has been an extreme dislocation in global asset classes with corresponding weakness in the US dollar. A strong dollar made a positive contribution to performance in the first half of the year but a rally in the pound, off the record lows reached in the aftermath of the UK 'mini-budget', affected the return in the second half of the year and the US represents a larger allocation in the portfolio. The portfolio fell 3.2% over the year but has produced annualised returns of 4.9% over the last five years.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

Financial review

● Going concern

The Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

● Reserves policy

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investment properties, other investments and funds awaiting investment and changes in those reserves result from changes in the value of investment properties and other investments as dictated by the Investment Policy.

Structure, governance and management

● Constitution

St Mary the Virgin Estate Management Charity is a registered charity, number 512217, and is constituted under a Trust deed.

It is regulated by the Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, 20 September 2000 and 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity, referred to as the Almshouses Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

● Organisational structure and decision-making policies

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

One appointed by the Bishop of Newcastle;
Two appointed by the Almshouse Trustees;
Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

Appointed by a special resolution of the Estate Management Trustees.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

Structure, governance and management (continued)

● Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

● Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels but the Trustees will keep this under review.

The Trustees anticipate that dividend receipts will remain at a reduced level for the foreseeable future and so amounts available for distribution to the Charity's beneficiaries will continue generally lower than in previous years. The Trustees are mindful of the adverse effect that this has on the interests of the Charity's beneficiaries.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

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.

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 29 September 2023 and signed on their behalf by:

DocuSigned by:

EAF14BF17BCC480

Mr S J Lightley

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'charity') for the year ended 31 March 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 March 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY (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 sector;
- we focused on specific laws and regulations which we consider 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 regulations;
- 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 are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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 anticipated 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-

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (CONTINUED)**

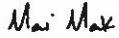
compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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:

91D015DD4D1845B

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

29 September 2023

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

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Endowment funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Investments	3	-	444,622	444,622	433,613
Other income	4	-	12,533	12,533	8,574
Total income and endowments		-	457,155	457,155	442,187
Expenditure on:					
Raising funds	5	-	25,763	25,763	36,829
Charitable activities	7	-	431,392	431,392	405,358
Total expenditure		-	457,155	457,155	442,187
Net income before net losses on investments					
Net losses on investments	11	(173,639)	-	(173,639)	(245,157)
Net movement in funds		(173,639)	-	(173,639)	(245,157)
Reconciliation of funds:					
Total funds brought forward		7,171,325	-	7,171,325	7,416,482
Net movement in funds		(173,639)	-	(173,639)	(245,157)
Total funds carried forward		6,997,686	-	6,997,686	7,171,325

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

The notes on pages 13 to 25 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	13	2,426,393	2,545,313
Investment property	12	4,540,000	4,540,000
		<u>6,966,393</u>	<u>7,085,313</u>
Current assets			
Debtors	14	61,206	318,681
Cash at bank and in hand		179,085	32,263
		<u>240,291</u>	<u>350,944</u>
Creditors: amounts falling due within one year	15	(208,998)	(264,932)
		<u>31,293</u>	<u>86,012</u>
Total assets less current liabilities		<u>6,997,686</u>	<u>7,171,325</u>
Total net assets		<u>6,997,686</u>	<u>7,171,325</u>
Charity funds			
Endowment funds	17	6,997,686	7,171,325
Total funds		<u>6,997,686</u>	<u>7,171,325</u>

The financial statements were approved and authorised for issue by the Trustees on 29 September 2023 and signed on their behalf by:

DocuSigned by:

 EAF14BF179CC480
Mr S J Lightley

The notes on pages 13 to 25 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

1. General information

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

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.

St Mary the Virgin Estate Management Charity 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 Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

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.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

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

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 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 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.

2.9 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.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

2. Accounting policies (continued)

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Investment income

	Restricted funds 2023 £	Total funds 2023 £
Rent receivable	364,200	364,200
Dividends and interest on investment	79,736	79,736
Bank deposit interest	686	686
	<u>444,622</u>	<u>444,622</u>

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Rent receivable	355,283	355,283
Dividends and interest on investment	78,324	78,324
Bank deposit interest	6	6
	<u>433,613</u>	<u>433,613</u>

4. Other incoming resources

	Restricted funds 2023 £	Total funds 2023 £
Reimbursement of insurance premiums	12,533	12,533
	<u>12,533</u>	<u>12,533</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

4. Other incoming resources (continued)

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Reimbursement of insurance premiums	8,574	8,574

5. Investment management costs

	Restricted funds 2023 £	Total funds 2023 £
Investment management fees	12,546	12,546
Outgoings on investment properties	13,217	13,217
	<u>25,763</u>	<u>25,763</u>

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment management fees	13,536	13,536
Outgoings on investment properties	23,293	23,293
	<u>36,829</u>	<u>36,829</u>

	2023 £	2022 £
Outgoings on properties		
Insurance	12,533	8,962
Property repairs	684	145
Rates	-	7,986
Professional charges	-	6,200
	<u>13,217</u>	<u>23,293</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

6. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Payment of grants to institutions	404,623	404,623

	Grants to Institutions 2022 £	Total funds 2022 £
Payment of grants to institutions	381,328	381,328

The charity has made the following material grants to institutions during the year:

	2023 £	2022 £
Name of institution		
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	400	400
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	1,000	1,000
The Governors of the Newcastle upon Tyne Grammar School	213,708	201,362
The Trustees of the Almshouses Charity	189,515	178,566
	<u>404,623</u>	<u>381,328</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Total 2023 £
Direct costs - Grant making activities	431,392	431,392

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Direct costs - Grant making activities	405,358	405,358

8. Analysis of expenditure by activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs - Grant making activities	404,623	26,769	431,392

	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs - Grant making activities	381,328	24,030	405,358

Analysis of support costs

	Activities 2023 £	Total funds 2023 £
Bank charges	341	341
Clerk's fees	11,250	11,250
Professional charges	6,267	6,267
Governance costs	8,550	8,550
Trustees' indemnity insurance	361	361
	<u>26,769</u>	<u>26,769</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities 2022 £</i>	<i>Total funds 2022 £</i>
Bank charges	304	304
Clerk's fees	11,250	11,250
Professional charges	3,654	3,654
Governance costs	8,450	8,450
Trustees' indemnity insurance	372	372
	<u>24,030</u>	<u>24,030</u>

Governance costs comprise:

	<i>2023 £</i>	<i>2022 £</i>
Governance auditors' remuneration	4,800	4,700
Clerk's fees	3,750	3,750
	<u>8,550</u>	<u>8,450</u>

9. Auditors' remuneration

	<i>2023 £</i>	<i>2022 £</i>
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,800	4,700
Fees payable to the charity's auditor in respect of: VAT and other professional services	1,405	2,154
	<u>1,405</u>	<u>2,154</u>

10. Trustees' remuneration and expenses

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

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

11. Net gains/(losses) on investments

	2023 £	2022 £
(Losses)/gains on disposal of share investment assets	(14,170)	758
(Losses)/gains on revaluations of share investment assets	(159,469)	167,499
Losses on revaluations of investment properties	-	(413,414)
	<u>(173,639)</u>	<u>(245,157)</u>

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2022	4,540,000
At 31 March 2023	<u>4,540,000</u>

The desktop valuations were made in November 2022 by Naylor's Gavin Black, chartered surveyors, on an open market value for existing use basis.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2022	2,484,377	60,936	2,545,313
Additions	144,811	21,509	166,320
Disposals	(125,771)	-	(125,771)
Revaluations	(159,469)	-	(159,469)
At 31 March 2023	<u>2,343,948</u>	<u>82,445</u>	<u>2,426,393</u>
Net book value			
At 31 March 2023	<u>2,343,948</u>	<u>82,445</u>	<u>2,426,393</u>
At 31 March 2022	<u>2,484,377</u>	<u>60,936</u>	<u>2,545,313</u>

14. Debtors

	2023 £	2022 £
Due within one year		
Rent and insurance debtors	53,221	152,874
Other debtors	-	70,000
Due from Endowment fund to Restricted fund	-	83,414
Prepayments and accrued income	7,985	12,393
	<u>61,206</u>	<u>318,681</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Due from Endowment fund to Restricted fund	-	83,414
The Hospital of St Mary the Virgin Almshouses Charity	36,775	22,570
Other taxation and social security	27,953	29,549
The Newcastle upon Tyne Royal Grammar School	46,470	29,452
Accruals and deferred income	97,800	99,947
	<u>208,998</u>	<u>264,932</u>

Included in accruals and deferred income above is deferred income of £84,430 (2022: £84,430) representing rental income received in advance.

16. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,343,948</u>	<u>2,484,377</u>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Endowment funds					
Endowment Funds	7,171,325	-	-	(173,639)	6,997,686
Restricted funds					
Restricted Funds	-	457,155	(457,155)	-	-
Total of funds	7,171,325	457,155	(457,155)	(173,639)	6,997,686

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Endowment funds					
Endowment Funds	7,416,482	-	-	(245,157)	7,171,325
Restricted funds					
Restricted Funds	-	442,187	(442,187)	-	-
Total of funds	7,416,482	442,187	(442,187)	(245,157)	7,171,325

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Endowment funds	7,171,325	-	-	(173,639)	6,997,686
Restricted funds	-	457,155	(457,155)	-	-
	<u>7,171,325</u>	<u>457,155</u>	<u>(457,155)</u>	<u>(173,639)</u>	<u>6,997,686</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Endowment funds	7,416,482	-	-	(245,157)	7,171,325
Restricted funds	-	442,187	(442,187)	-	-
	<u>7,416,482</u>	<u>442,187</u>	<u>(442,187)</u>	<u>(245,157)</u>	<u>7,171,325</u>

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fixed asset investments	2,426,393	-	2,426,393
Investment property	4,540,000	-	4,540,000
Current assets	31,293	208,998	240,291
Creditors due within one year	-	(208,998)	(208,998)
Total	6,997,686	-	6,997,686

Analysis of net assets between funds - prior year

	<i>Endowment funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	2,545,313	-	2,545,313
Investment property	4,540,000	-	4,540,000
Current assets	169,426	181,518	350,944
Creditors due within one year	(83,414)	(181,518)	(264,932)
Total	7,171,325	-	7,171,325

20. Related party transactions

The Charity is constituted under a trust deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School at the year-end are shown within the creditors due within one year note to the financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales - Charity number 512217

Accounts

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Mr S J Lightley, Chairman Mr N Paton, Vice Chairman Ms R Amey Mr A Birkmyre Mr G Curson Hunter Dr H Jones- Lee Mrs C S Penn
Charity registered number	512217
Principal office	5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Independent auditors	Kinnair Associates Limited Chartered Accountants Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Solicitors	Mincoffs Solicitors 5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Clerk to the Trustees	Timothy Rohan Gray
Deputy Clerk to the Trustees	Christopher Hughes

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2021 to 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

Achievements and performance

● Review of activities

The impact of the COVID 19 pandemic continues to depress levels of dividend income, though the level of investment income has grown from last year. Net investment income was £64k (2021: £58k). More recently, issues with the global economy, disruption to manufacturing supply chains and the conflict in the Ukraine, accompanied by rising inflation and interest rates, are likely to affect the current performance of equity investments adversely.

Rental income has reduced a little this year reflecting a period of void at one property. Property outgoings have been higher as a result of rates charges on the Belmont properties and, as a result, net property income was £338k (2021: £354k).

General administrative costs are higher this year than last year because of additional professional fees of £8k arising primarily from fees for the re-letting of investment properties.

Share investment values have increased by £167k whilst property valuations have reduced by £413k.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Achievements and performance (continued)

● **Investment policy and performance**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio delivered a total return of +10.3% for the year to 31 March 2022 (2021: +21.5%). This compares with total returns for the following indices:

	Year to 31.03.22	Year to 31.03.21
BD Risk Category 6 Benchmark	+ 9.6%	+ 23.5%
FTSE British Government All Stocks Index	- 5.1%	- 5.5%
Iboxx £ Corporate Bond Index	- 5.5%	+ 10.0%
FTSE All Share Index	+ 13.0%	+ 26.7%
FTSE All World Ex UK Index	+ 12.6%	+ 40.4%
IA Property Index	+ 23.6%	- 2.1%
IA Targeted Absolute Return Index	+ 2.5%	+ 10.1%

The Brewin Dolphin Risk Category 6 Benchmark comprises 2.5% UK Gilts, 3% UK Bonds, 11.5% Overseas Bonds, 24% UK Equities, 44.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash

In the context of the previous year, the period began relatively calmly and most major equity markets produced mid-to-late single digit gains while the US S&P 500 index reached a new all-time high late in the first quarter. However, any experienced investor knows that a period of benign conditions will eventually come to an end and markets moved into a more challenging environment thereafter with a litany of worries facing investors.

The first quarter of 2022 proved particularly challenging for markets as worries around the Russian invasion of Ukraine, rising interest rates, and higher levels of inflation weighed on both equities and bonds. As markets grappled with rising inflation prints, and tried to establish the likely pace and trajectory of interest rate hikes, we saw some big swings and global bonds suffered their worst drawdown on record as central banks turned more hawkish. US shares had a particularly difficult start to the New Year, with growth and technology stocks coming under pressure amid fears of a slowing economy.

Markets have also been affected by concerns over China, and the knock-on effects to other regions, and an underperformance in the UK small and mid cap area but the annual return edged into double digits and was slightly ahead of the benchmark.

The style rotation we have seen, as a result of the rise of inflation and interest rate expectations, saw investors switch into the value and income producing sectors that dominate the UK market and, with the investments required to generate a relatively high yield, this was to the benefit of portfolio performance. Bond markets offered no safe haven, as interest rate hikes were priced in, but the overseas equity allocation, despite falling almost 2%, outperformed significantly and, again, benefited from the need to focus on income strategies.

Overall, the investments have risen 10.3% in the year and the portfolio has delivered annualised returns of 5.7% over the last five years.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

● Going concern

The Trustees have considered the likely effect of the Covid pandemic and the other current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

● Reserves policy

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investment properties, other investments and funds awaiting investment and changes in those reserves result from changes in the value of investment properties and other investments as dictated by the Investment Policy.

Structure, governance and management

● Constitution

St Mary the Virgin Estate Management Charity is a registered charity, number 512217, and is constituted under a Trust deed.

It is regulated by the Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, 20 September 2000 and 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell), referred to as the Almshouses Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

● Organisational structure and decision-making policies

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

One appointed by the Bishop of Newcastle;

Two appointed by the Almshouse Trustees;

Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

Appointed by a special resolution of the Estate Management Trustees.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

● Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

● Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels but the Trustees will keep this under review..

The Trustees anticipate that dividend receipts will remain at a reduced level for the foreseeable future and so amounts available for distribution to the Charity's beneficiaries will continue to be lower than in previous years. The Trustees are mindful of the adverse effect that this has on the interests of the Charity's beneficiaries.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditors

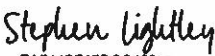
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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.

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 23 September 2022 and signed on their behalf by:

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Mr S J Lightley

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'charity') for the year ended 31 March 2022 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 March 2022 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (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 sector;
- we focused on specific laws and regulations which we consider 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 regulations;
- 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 are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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 anticipated 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-

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (CONTINUED)**

compliance. 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:
Mai Max
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Kinnair Associates Limited
Chartered Accountants
Statutory Auditor
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

6 December 2022

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

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Endowment funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Investments	3	-	433,613	433,613	432,790
Other income	4	-	8,574	8,574	7,767
Total income and endowments		-	442,187	442,187	440,557
Expenditure on:					
Raising funds	5	-	36,829	36,829	20,094
Charitable activities	7	-	405,358	405,358	420,463
Total expenditure		-	442,187	442,187	440,557
Net income before net (losses)/gains on investments					
		-	-	-	-
Net (losses)/gains on investments		(245,157)	-	(245,157)	361,862
Net movement in funds		(245,157)	-	(245,157)	361,862
Reconciliation of funds:					
Total funds brought forward		7,416,482	-	7,416,482	7,054,620
Net movement in funds		(245,157)	-	(245,157)	361,862
Total funds carried forward		7,171,325	-	7,171,325	7,416,482

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

The notes on pages 13 to 24 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	2,545,313	2,393,072
Investment property	12	4,540,000	4,940,000
		<u>7,085,313</u>	<u>7,333,072</u>
Current assets			
Debtors	14	318,681	283,931
Cash at bank and in hand		32,263	27,073
		<u>350,944</u>	<u>311,004</u>
Creditors: amounts falling due within one year	15	(264,932)	(227,594)
Net current assets		<u>86,012</u>	<u>83,410</u>
Total assets less current liabilities		<u>7,171,325</u>	<u>7,416,482</u>
Total net assets		<u><u>7,171,325</u></u>	<u><u>7,416,482</u></u>
Charity funds			
Endowment funds	17	7,171,325	7,416,482
Total funds		<u><u>7,171,325</u></u>	<u><u>7,416,482</u></u>

The financial statements were approved and authorised for issue by the Trustees on 23 September 2022 and signed on their behalf by:

DocuSigned by:

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Mr S J Lightley

The notes on pages 13 to 24 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

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.

St Mary the Virgin Estate Management Charity 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 Trustees have considered the likely effect of the Covid pandemic and the other current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

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.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Expenditure (continued)

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

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 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 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.

2.9 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.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Investment income

	Restricted funds 2022 £	Total funds 2022 £
Rent receivable	355,283	355,283
Dividends and interest on investment	78,324	78,324
Bank deposit interest	6	6
	<u>433,613</u>	<u>433,613</u>

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rent receivable	362,429	362,429
Dividends and interest on investment	70,336	70,336
Bank deposit interest	25	25
	<u>432,790</u>	<u>432,790</u>

4. Other incoming resources

	Restricted funds 2022 £	Total funds 2022 £
Reimbursement of insurance premiums	8,574	8,574
	<u>8,574</u>	<u>8,574</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Other incoming resources (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Reimbursement of insurance premiums	7,767	7,767

5. Investment management costs

	Restricted funds 2022 £	Total funds 2022 £
Investment management fees	13,536	13,536
Outgoings on investment properties	23,293	23,293
	<u>36,829</u>	<u>36,829</u>

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Investment management fees	12,326	12,326
Outgoings on investment properties	7,768	7,768
	<u>20,094</u>	<u>20,094</u>

	2022 £	2021 £
Outgoings on properties		
Insurance	8,962	7,768
Property repairs	145	-
Rates	7,986	-
Professional charges	6,200	-
	<u>23,293</u>	<u>7,768</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £
Payment of grants to institutions	381,328	381,328

	<i>Grants to Institutions 2021 £</i>	<i>Total funds 2021 £</i>
Payment of grants to institutions	397,978	397,978

The charity has made the following material grants to institutions during the year:

	2022 £	2021 £
Name of institution		
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	400	400
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	1,000	1,000
The Governors of the Newcastle upon Tyne Grammar School	201,362	210,186
The Trustees of the Almshouses Charity	178,566	186,392
	381,328	397,978

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Total 2022 £
Direct costs - Grant making activities	405,358	405,358

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Direct costs - Grant making activities	420,463	420,463

8. Analysis of expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Direct costs - Grant making activities	381,328	24,030	405,358

	<i>Grant funding of activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Direct costs - Grant making activities	397,978	22,485	420,463

Analysis of support costs

	Activities 2022 £	Total funds 2022 £
Bank charges	304	304
Clerk's fees	11,250	11,250
Professional charges	3,654	3,654
Governance costs	8,450	8,450
Trustees' indemnity insurance	372	372
	24,030	24,030

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Activities 2021 £	Total funds 2021 £
Bank charges	306	306
Clerk's fees	10,937	10,937
Professional charges	2,499	2,499
Governance costs	8,371	8,371
Trustees' indemnity insurance	372	372
	<u>22,485</u>	<u>22,485</u>

Governance costs comprise:

	2022 £	2021 £
Governance auditors' remuneration	4,700	4,475
Clerk's fees	3,750	3,646
Governance Trustees' remuneration	-	250
	<u>8,450</u>	<u>8,371</u>

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,700	4,475
Fees payable to the charity's auditor in respect of: VAT and other professional services	<u>2,154</u>	<u>1,899</u>

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Net gains/(losses) on investments

	2022 £	2021 £
Gains/(losses) on disposal of share investment assets	758	6,997
Gains/(losses) on revaluations of share investment assets	167,499	354,865
Losses on revaluations of investment properties	(413,414)	-
	<u>(245,157)</u>	<u>361,862</u>

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2021	4,940,000
Additions	13,414
Deficit on revaluation	(413,414)
At 31 March 2022	<u>4,540,000</u>

The 2022 desktop valuations were made by Naylor's Gavin Black, chartered surveyors, on an open market value for existing use basis.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2021	2,303,643	89,429	2,393,072
Additions	13,235	(28,493)	(15,258)
Revaluations	167,499	-	167,499
	<u>2,484,377</u>	<u>60,936</u>	<u>2,545,313</u>
At 31 March 2022	<u>2,484,377</u>	<u>60,936</u>	<u>2,545,313</u>
Net book value			
At 31 March 2022	<u>2,484,377</u>	<u>60,936</u>	<u>2,545,313</u>
At 31 March 2021	<u>2,303,643</u>	<u>89,429</u>	<u>2,393,072</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Rent and insurance debtors	152,874	172,554
Other debtors	70,000	50,966
Due from Endowment fund to Restricted fund	83,414	49,812
Prepayments and accrued income	12,393	10,599
	<u>318,681</u>	<u>283,931</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Due from Endowment fund to Restricted fund	83,414	49,812
Other taxation and social security	29,549	779
The Newcastle upon Tyne Royal Grammar School	29,452	42,058
The Hospital of St Mary the Virgin Almshouses Charity	22,570	34,636
Accruals and deferred income	99,947	100,309
	<u>264,932</u>	<u>227,594</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,484,377</u>	<u>2,303,643</u>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Endowment funds					
Endowment Funds	<u>7,416,482</u>	-	-	(245,157)	<u>7,171,325</u>
Restricted funds					
Restricted Funds	-	<u>442,187</u>	<u>(442,187)</u>	-	-
Total of funds	<u>7,416,482</u>	<u>442,187</u>	<u>(442,187)</u>	<u>(245,157)</u>	<u>7,171,325</u>

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Endowment funds					
Endowment Funds	<u>7,054,620</u>	-	-	361,862	<u>7,416,482</u>
Restricted funds					
Restricted Funds	-	<u>440,557</u>	<u>(440,557)</u>	-	-
Total of funds	<u>7,054,620</u>	<u>440,557</u>	<u>(440,557)</u>	<u>361,862</u>	<u>7,416,482</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Endowment funds	7,416,482	-	-	(245,157)	7,171,325
Restricted funds	-	442,187	(442,187)	-	-
	<u>7,416,482</u>	<u>442,187</u>	<u>(442,187)</u>	<u>(245,157)</u>	<u>7,171,325</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Endowment funds	7,054,620	-	-	361,862	7,416,482
Restricted funds	-	440,557	(440,557)	-	-
	<u>7,054,620</u>	<u>440,557</u>	<u>(440,557)</u>	<u>361,862</u>	<u>7,416,482</u>

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Charity Commission Scheme.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fixed asset investments	2,545,313	-	2,545,313
Investment property	4,540,000	-	4,540,000
Current assets	169,426	181,518	350,944
Creditors due within one year	(83,414)	(181,518)	(264,932)
Total	7,171,325	-	7,171,325

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	2,393,072	-	2,393,072
Investment property	4,940,000	-	4,940,000
Current assets	133,222	177,782	311,004
Creditors due within one year	(49,812)	(177,782)	(227,594)
Total	7,416,482	-	7,416,482

20. Related party transactions

The Charity is constituted under a trust deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School at the year end are shown within the creditors due within one year note to the financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

England & Wales - Charity number 512217

Accounts

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 March 2021**

Trustees	Mr S J Lightley, Chairman Mr N Paton, Vice Chairman Ms Rachel Amey (appointed 31 October 2020) Mr A Birkmyre Mr Giles Curson Hunter Dr Hazel Jones- Lee Mrs Claire Stephanie Penn Dr M Pitkethly (resigned 31 October 2020)
Charity registered number	512217
Principal office	5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Independent auditor	Ryecroft Glenton Chartered Accountants 32 Portland Terrace Newcastle upon Tyne NE2 1QP
Bankers	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Solicitors	Mincoffs Solicitors 5 - 7 Osborne Terrace Newcastle upon Tyne NE2 1SQ
Clerk to the Trustees	Timothy Rohan Gray
Deputy Clerk to the Trustees	Christopher Hughes

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT For the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2020 to 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Scheme.

Achievements and performance

● Review of activities

The financial statements show a decrease in the level of dividend income compared to the previous year as a consequence of the COVID 19 pandemic. The previous reduction in the valuations of the investments have reversed while property values are not materially different from the previous year.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY**TRUSTEES' REPORT (CONTINUED)**
For the year ended 31 March 2021**Achievements and performance (continued)****● Investment policy and performance**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The Charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio delivered a total return of +25.7% for the year to 31 March 2021 (2020: -6.4%). This compares with total returns for the following indices:

	Year to 31.03.21	Year to 31.03.20
BD Risk Category 6 Benchmark	+ 23.5%	- 7.2%
FTSE British Government All Stocks Index	- 5.5%	+9.9%
Iboxx £ Corporate Bond Index	+ 10.0%	0.0%
FTSE All Share Index	+ 26.7%	-18.5%
FTSE All World Ex UK Index	+ 40.4%	- 5.5%
IA Property Index	- 2.1%	- 1.5%
IA Targeted Absolute Return Index	+10.1%	-3.3%

The Brewin Dolphin Risk Category 6 Benchmark comprises 2.5% UK Gilts, 3% UK Bonds, 11.5% Overseas Bonds, 24% UK Equities, 44.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash

It has been a good year for risk assets and equity markets have continued the recovery that started towards the end of the last period. Although the economic data has been abysmal at times, it continues to recover from lows and there is a very accommodating monetary and fiscal environment supporting markets. Collectively, world stock markets are now as high as they ever have been, which feels somewhat detached from the economic reality.

The UK has been shunned by global investors over recent years but many unloved areas received a literal shot in the arm as details emerged on three highly effective Coronavirus vaccines at the beginning of November 2020 and this has put domestic stocks up amongst the global leaders since then. However, the UK market has lagged over the full year and the US has been the major contributor to overseas returns, with gains skewed towards newer, faster growing companies in innovative sectors such as technology, software, and healthcare. COVID-19 has accelerated this trend but returns from European and emerging markets have also been relatively strong.

Relative performance benefited from good returns amongst the overseas allocation and from the overweight to corporate bonds, at the expense of government bonds which still offer very little in the way of income for the portfolio. However, UK equities, which sustain around 30% of the portfolio's income, again underperformed global markets as investors continue to favour growth strategies over the value and income producing sectors that dominate the domestic market.

Financial review**● Going concern**

The Trustees have considered the likely effects of the pandemic on the Charity's financial position and future prospects. As the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT (CONTINUED) For the year ended 31 March 2021

● Reserves policy

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investments and funds awaiting investment and changes in those reserves result from changes in the value of investments as dictated by the Investment Policy.

Structure, governance and management

● Constitution

St Mary the Virgin Estate Management Charity is a registered charity, number 512217.

It is regulated by the Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, 20 September 2000 and 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell), referred to as the Almshouses Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

● Organisational structure and decision-making policies

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

One appointed by the Bishop of Newcastle;
Two appointed by the Almshouse Trustees;
Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

Appointed by a special resolution of the Estate Management Trustees.

● Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

● Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT (CONTINUED) For the year ended 31 March 2021

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels.

The Trustees anticipate that dividend receipts will remain at a reduced level for the foreseeable future and so amounts available for distribution to the Charity's beneficiaries will continue to be lower than in previous years. The Trustees are mindful of the adverse effect that this has on the interests of the Charity's beneficiaries.

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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, Ryecroft Glenton, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 12 November 2021 and signed on their behalf by:

DocuSigned by:

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Mr S J Lightley
(Chair of Trustees)

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'Charity') for the year ended 31 March 2021 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 the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102). This is 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 financial statements to provide a true and fair view in accordance with the UK Generally Accepted Accounting Practice.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 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 Auditor's 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY (CONTINUED)

Emphasis of matter

We draw attention to note 12 to the financial statements which describes the results of the valuation of the charity's properties for the year end 31 March 2020 and the existence of a material uncertainty with respect to the valuation as a result of the COVID-19 pandemic. In respect of the year ended 31 March 2021 the Trustees have been advised by the valuers that the values ascribed to the investment properties for the year ended 31 March 2020 are unlikely to have changed materially and so the values remain unchanged although still subject to the material uncertainty mentioned above.

The material uncertainty clause has been included in the valuation report in accordance with Royal Institute of Chartered Surveyors (RICS) guidance and a summary of this is set out in note 12.

The guidance explains that the term "material uncertainty" is not meant to suggest that the valuation cannot be relied upon; rather, it is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY (CONTINUED)

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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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 Auditor's 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 sector;
- we focused on specific laws and regulations which we consider 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 regulations;
- 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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE
MANAGEMENT CHARITY (CONTINUED)**

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 are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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 anticipated 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. 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 Auditor's 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 Auditor's 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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Ryecroft Glenton
Chartered Accountants
Statutory Auditor
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

12 November 2021

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2021

	Note	Endowment funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Investments	3	-	432,790	432,790	452,214
Other income	4	-	7,767	7,767	7,799
Total income and endowments		-	440,557	440,557	460,013
Expenditure on:					
Raising funds	5	-	20,094	20,094	24,183
Charitable activities	7	-	420,463	420,463	435,830
Total expenditure		-	440,557	440,557	460,013
Net income before net gains/(losses) on investments					
		-	-	-	-
Net gains/(losses) on investments	11	361,862	-	361,862	(1,170,428)
Net movement in funds		361,862	-	361,862	(1,170,428)
Reconciliation of funds:					
Total funds brought forward		7,054,620	-	7,054,620	8,225,048
Net movement in funds		361,862	-	361,862	(1,170,428)
Total funds carried forward		7,416,482	-	7,416,482	7,054,620

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

The notes on pages 12 to 23 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	13	2,393,072	2,046,064
Investment property	12	4,940,000	4,940,000
		<u>7,333,072</u>	<u>6,986,064</u>
Current assets			
Debtors	14	283,931	89,727
Cash at bank and in hand		27,073	57,970
		<u>311,004</u>	<u>147,697</u>
Creditors: amounts falling due within one year	15	(227,594)	(79,141)
		<u>83,410</u>	<u>68,556</u>
Net current assets		<u>83,410</u>	<u>68,556</u>
Total assets less current liabilities		<u>7,416,482</u>	<u>7,054,620</u>
Total net assets		<u>7,416,482</u>	<u>7,054,620</u>
Charity funds			
Endowment funds	16	7,416,482	7,054,620
Total funds		<u>7,416,482</u>	<u>7,054,620</u>

The financial statements were approved and authorised for issue by the Trustees on 12 November 2021 and signed on their behalf by:

DocuSigned by:

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Mr S J Lightley

The notes on pages 12 to 23 form part of these financial statements.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021****1. General information**

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 relevant version of the 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

St Mary the Virgin Estate Management Charity 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

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.

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.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

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.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021****2. Accounting policies (continued)****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 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 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.

2.9 Liabilities

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.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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3. Investment income

	Restricted funds 2021 £	Total funds 2021 £
Rent receivable	362,429	362,429
Dividends and interest on investment	70,336	70,336
Bank deposit interest	25	25
	<u>432,790</u>	<u>432,790</u>

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Rent receivable	362,476	362,476
Dividends and interest on investment	89,557	89,557
Bank deposit interest	181	181
	<u>452,214</u>	<u>452,214</u>

4. Other incoming resources

	Restricted funds 2021 £	Total funds 2021 £
Reimbursement of insurance premiums	<u>7,767</u>	<u>7,767</u>

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Reimbursement of insurance premiums	<u>7,799</u>	<u>7,799</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
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5. Investment management costs

	Restricted funds 2021 £	Total funds 2021 £
Investment management fees	12,326	12,326
Outgoings on investment properties	7,768	7,768
	<u>20,094</u>	<u>20,094</u>

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment management fees	13,161	13,161
Outgoings on investment properties	11,022	11,022
	<u>24,183</u>	<u>24,183</u>

. Outgoings on properties

	2021 £	2020 £
Insurance	7,768	9,436
Property repairs	-	1,586
	<u>7,768</u>	<u>11,022</u>

6. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Payment of grants to institutions	397,978	397,978

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NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of grants (continued)

	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Payment of grants to institutions	408,573	408,573
	2021 £	2020 £
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	400	400
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	1,000	1,000
The Governors of the Newcastle upon Tyne Grammar School	210,186	215,802
The Trustees of the Almshouses Charity	186,392	191,371
	397,978	408,573

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £
Direct costs - Grant making activities	420,463	420,463
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Grant making activities	435,830	435,830

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8. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs - Grant making activities	397,978	22,485	420,463

	<i>Grant funding of activities 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Grant making activities	408,573	27,257	435,830

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Bank charges	306	306
Clerk's fees	10,937	10,937
Professional charges	2,499	2,499
Governance costs	8,371	8,371
Trustees' indemnity insurance	372	372
	<u>22,485</u>	<u>22,485</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities</i> 2020 £	<i>Total</i> <i>funds</i> 2020 £
Bank charges	383	383
Clerk's fees	10,500	10,500
Sundry expenses	239	239
Professional charges	7,876	7,876
Governance costs	7,850	7,850
Trustees' indemnity insurance	409	409
	<u>27,257</u>	<u>27,257</u>

Governance costs comprise:

	2021 £	2020 £
Governance auditor's remuneration	4,475	4,350
Clerk's fees	3,646	3,500
Governance Trustees' remuneration	250	-
	<u>8,371</u>	<u>7,850</u>

9. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	4,475	4,350
Fees payable to the Charity's auditor in respect of: VAT and other professional services	1,899	2,252
	<u>1,899</u>	<u>2,252</u>

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year no Trustee expenses have been incurred (2020 - £NIL).

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021**

11. Net gains/(losses) on investments

	2021	<i>2020</i>
	£	£
Gains/(losses) on disposal of share investment assets	6,997	<i>(6,632)</i>
Gains/(losses) on revaluations of share investment assets	354,865	<i>(303,796)</i>
Gains/(losses) on revaluations of properties	-	<i>(860,000)</i>
Total	361,862	<i>(1,170,428)</i>

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	4,940,000
At 31 March 2021	4,940,000

A desktop valuation was carried out in November 2020 by Naylor's Gavin Black for the purpose of including the valuation within the financial statements of the Charity for the year ended 31 March 2020.

The valuation report contained a material uncertainty clause due to the COVID-19 pandemic. As a result, at the valuation date, the valuer states that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value and the current response to COVID-19 which means that the valuers are faced with an unprecedented set of circumstances on which to base a judgement.

The Royal Institute of Chartered Surveyors (RICS) included in its Valuation practice alert – COVID-19 of 19 May 2020 guidance for RICS-regulated members for when they conclude there is a material uncertainty with respect to a valuation.

The RICS guidance states that: -

“Where a material uncertainty clause is being used, its purpose is to ensure that any client relying upon that specific valuation report understands that it has been prepared under extraordinary circumstances. The term is not meant to suggest that the valuation cannot be relied upon; rather, it is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. Indeed, with regard to the process itself, professional valuers will almost certainly have undertaken far more due diligence than normal, in order to arrive at their estimate of value.”

With regard to the year ended 31 March 2021 the Trustees have been advised by the valuers that the values ascribed to the investment properties for the year ended 31 March 2020 are unlikely to have changed materially and a material uncertainty still exists. Accordingly the values remain unchanged although still subject to the material uncertainty mentioned above.

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

13. Fixed asset investments

	Listed investments £	Cash held for investment £	Total £
Cost or valuation			
At 1 April 2020	1,933,140	112,924	2,046,064
Additions	266,958	(23,495)	243,463
Disposals	(251,320)	-	(251,320)
Revaluations	354,865	-	354,865
At 31 March 2021	<u>2,303,643</u>	<u>89,429</u>	<u>2,393,072</u>

14. Debtors

	2021 £	2020 £
Due within one year		
Rent and insurance debtors	172,554	60,375
The Hospital of St Mary the Virgin Almshouses Charity	-	6,056
The Newcastle upon Tyne Royal Grammar School	-	4,828
Other debtors	50,966	7,726
Due from Endowment fund to Restricted fund	49,812	-
Prepayments and accrued income	10,599	10,742
	<u>283,931</u>	<u>89,727</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Due from Endowment fund to Restricted fund	49,812	-
Other taxation and social security	779	-
The Newcastle upon Tyne Royal Grammar School	42,058	-
The Hospital of St Mary the Virgin Almshouses Charity	34,636	-
Accruals and deferred income	100,309	79,141
	<u>227,594</u>	<u>79,141</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Endowment funds					
Permanent endowment fund	7,054,620	-	-	361,862	7,416,482
Restricted funds					
Restricted funds	-	440,557	(440,557)	-	-
Total of funds	7,054,620	440,557	(440,557)	361,862	7,416,482

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Endowment funds					
Permanent endowment fund	8,225,048	-	-	(1,170,428)	7,054,620
Restricted funds					
Restricted funds	-	460,013	(460,013)	-	-
Total of funds	8,225,048	460,013	(460,013)	(1,170,428)	7,054,620

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Endowment funds	7,054,620	-	-	361,862	7,416,482
Restricted funds	-	440,557	(440,557)	-	-
	7,054,620	440,557	(440,557)	361,862	7,416,482

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
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17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Endowment funds	8,225,048	-	-	(1,170,428)	7,054,620
Restricted funds	-	460,013	(460,013)	-	-
	<u>8,225,048</u>	<u>460,013</u>	<u>(460,013)</u>	<u>(1,170,428)</u>	<u>7,054,620</u>

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the provisions of this Scheme.

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Fixed asset investments	2,393,072	-	2,393,072
Investment property	4,940,000	-	4,940,000
Current assets	133,222	177,782	311,004
Creditors due within one year	(49,812)	(177,782)	(227,594)
Total	<u>7,416,482</u>	<u>-</u>	<u>7,416,482</u>

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Endowment funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fixed asset investments	2,046,064	-	2,046,064
Investment property	4,940,000	-	4,940,000
Current assets	68,556	79,141	147,697
Creditors due within one year	-	(79,141)	(79,141)
Total	<u>7,054,620</u>	<u>-</u>	<u>7,054,620</u>

19. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,303,643</u>	<u>1,933,140</u>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

20. Related party transactions

The Charity is constituted under a trust deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouses Charity and the Newcastle upon Tyne Royal Grammar School at the year end are shown within the creditors due within one year note to the financial statements.