

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST

England & Wales · Charity number 528066

Details

Other names	THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST CHARITIES, UNIVERSITY OF NEWCASTLE-UPON-TYNE DEVELOPMENT TRUST, UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST
Status	Registered
Legal form	Other
Registered	1972-07-26
Register	View on the Charity Commission register

Contact

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Website	www.ncl.ac.uk/alumni/get-involved
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Activities

Objects: FOR SUCH PURPOSES AS ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES AND ARE DEEMED TO FURTHER THE WORK OF THE UNIVERSITY.

Activities: The Trust receives and invest funds from donors for the benefit of Newcastle University. Grants are made twice each year to the University to fund posts, scholarships and projects, in accordance with the specific wishes of the donors.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£22,751	£5,372,811	-	-
2024-03-31	£136,533	£5,875,855	-	-
2023-03-31	£6,568	£6,432,843	-	-
2022-03-31	£749,550	£5,127,184	£60,549,393	0
2021-03-31	£129,694	£4,810,372	£61,194,387	1

Trustees

Name	Role	Appointed
Mrs H Parker	Chair	2016-05-01
Angela Dragone		2023-01-01
Dr Vanessa Hammond		2021-05-01
Nicholas R Swales BAHon FCSI		2018-11-09
PROFESSOR CHRIS DAY		2015-04-29
Professor Quentin Anstee		2025-07-01

Linked charities

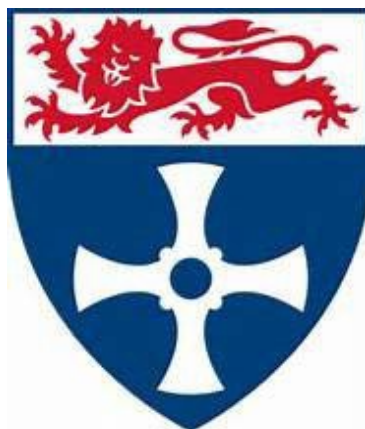
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST (528066-1)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - NCKRF TRANSPLANT IMMUNOLOGY (528066-10)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - WILLIAM LEECH/GREEN FUND FOR RENAL TRANSPLANTATION (528066-11)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - NCKRF NEPHROLOGY (3P) (528066-12)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - JEFFCOCK MEDICAL RESEARCH FUND (528066-13)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - THE DR WILLIAM EDMUND HARKER FOUNDATION (528066-14)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - KRITCHMAN SCHOLARSHIPS (528066-15)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - BOON MEDICAL RESEARCH FUND (528066-16)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - STUDENT EXPLORATION APPEAL (528066-17)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - BARTON DELOACH BEQUEST (528066-18)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - JEFFREYS FUND (528066-19)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - CHAIR OF EXPERIMENTAL NEUROLOGY (528066-2)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - CHINESE LANGUAGE LECTURESHIP (528066-20)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - KOREAN STUDIES (528066-21)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - MUSIC FELLOWSHIP (528066-22)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - NCKRF NEPHROLOGY(2) (528066-23)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - WILLIAM LEECH FUND FOR BIO-MEDICAL SCIENCE (528066-24)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - KONISHI FOUNDATION FELLOWSHIP (528066-25)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - SIR JAMES KNOTT TRUST (528066-26)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - DUKE OF NORTHUMBERLAND APPEAL (528066-27)

- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - RESEARCH TECHNICIAN IN HAEMATOLOGY (528066-28)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - SIEMENS CHAIR OF MICROELECTRONICS (528066-29)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - TYNE AND WEAR CHAIR OF ENVIRONMENTAL CONTROL ENGINEERING (528066-3)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - WILLIAM BENEDICT COLEMAN SCHOLARSHIPS (528066-30)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - THE HENRY MILLER MEMORIAL APPEAL (528066-31)
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- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - CHAIR OF INDUSTRIAL MANAGEMENT (528066-40)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - CHAIR OF OCCUPATIONAL HEALTH (528066-41)
- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - THE SIR JAMES WOODSON CHAIR OF PRODUCTION ENGINEERING (528066-42)
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- THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST - WILLIAM LEECH/MCQUEEN FUND FOR NEUROMUSCULAR DISEASE (528066-7)
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Accounts

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST
and other related charities



TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Charity Commission No: 528066

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report along with the audited accounts of the Trust for the year ended 31 March 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

Status	The University of Newcastle upon Tyne Development Trust is a Charity registered with the Charity Commission (No. 528066)
Address	Finance & Planning Newcastle University King's Gate Newcastle upon Tyne NE1 7RU
Trustees	The Trustees of the Charity in office at the date of the approval of the financial statements were: Mrs HA Parker (Chair) Professor D Burn* Mr W Connolly * Professor CP Day (Vice Chancellor) Mrs A Dragone (Honorary Treasurer) Dr VA Hammond Mrs VS Johnston * Mr N Swales (Vice-Chair) * Appointed by the Council of Newcastle University
Trust Manager	Ms FJ Watson

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Independent Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS	Solicitors	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ		
Investment Managers	Aon Solutions UK Limited The Aon Centre The Leadenhall Building 122 Leadenhall Street London, EC3V 4AN	Investment Custodians	The Bank of New York Mellon One Canada Square London E145AL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust was established for the benefit of the University of Newcastle upon Tyne and is governed by a Deed dated 10 May 1972.

Appointment of Trustees

The Trust Deed allows for a minimum of six and a maximum of twelve Trustees. The Trustees, who were in post at 31 March 2024 and at the date of this report are set out on page 3. The Vice-Chancellor of the University is an ex-officio Trustee. The Council of the University appoints up to four of the total number of Trustees, excluding the Vice-Chancellor, and at the date of this report three of these posts have been filled. The remaining non ex-officio Trustees are recruited from individuals recommended by the existing Trustees. No Trustees, whether ex-officio or non-ex-officio, receive benefits from the Trust in their capacity as Trustees other than occasional out of pocket expenses. Under the Trust Deed, Trustees may serve two consecutive three-year terms of office. They can be nominated to serve further terms but only after one year has elapsed from the date of the termination of their previous appointment. Prof D Burn, Mr W Connolly, and Mrs VS Johnston are currently serving their second consecutive term of office. Mr W Connolly and Mrs VS Johnston have both indicated that they will stand down as Trustees at the end of their term of office in the summer of 2024. In 2022, following legal advice, it was agreed by Trustees Resolution, to extend the term of Mrs HA Parker as Chair of the Trust past May 2022. This was agreed on the basis that the relationship between the Development Trust and the University is at a critical point. The relationship between the two organisations has changed dramatically and the University is about to launch the Campaign for Newcastle. The Development Trust will play an integral role in the Campaign, and the Chair has been involved with the planning for the Campaign, including being invited to sit on the Campaign Advisory Board. In addition to this, but for the same reason, the terms of Prof D Burn and Mr N Swales were extended, for a further three years, by Trustees Resolution at the January 2024 Trustees Meeting.

Trustee induction and training

On appointment, new Trustees receive an induction pack and are offered the opportunity to attend relevant courses. The induction pack contains, inter alia, copies of the Trust Deed, the Trustee Act 2000 Policy Statement, the Trust Risk Register, the last two sets of the Trustees' Report and Accounts, minutes of recent Trustee meetings and Sub-Committee meetings, and the Charity Commission booklet "The Essential Trustee". During their term of office Trustees are encouraged to attend courses and conferences appropriate to their roles.

Organisational structure and decision making

Trustees' Meetings are held twice each year and at such other times as the administrative requirements of the Trust dictate. An Investment Sub-Committee holds meetings at least twice each year with the Investment Manager and there were three meetings during the year ended 31 March 2024. The Sub-Committee is chaired by the Honorary Treasurer (Mrs A Dragone). Mr N Swales is also Trustee members. The meetings are attended by Mrs HA Parker (as Chair of Trustees), the Trust Manager and the University Executive Director of Finance (or a designated Deputy Director). The Sub-Committee reports to the full Board of Trustees twice each year. The Trustees form additional sub-committees in cases where the administration of endowments warrants them and such committees all report to the full Board of Trustees.

There are currently sub-committees involved in the administration of the WE Harker Foundation, the Randerson Foundation, and the Robinson Library and Marjorie Robinson Bequest Funds. The award of studentships from the Harker and Randerson Foundations is carried out by the University Faculty of Medical Sciences Post

Organisational structure and decision making (continued)

Graduate Research Committee. The Robinson Library/Marjorie Robinson Bequest Sub-Committee was chaired by Dr VA Hammond during the year, with Mrs A Dragone also Trustee members. Ms FJ Watson is the Trust Manager. The Trust Manager is employed on a part-time basis, by way of a Secondment from Newcastle University. The Trust's accounts are prepared by the University's Finance Office and the Trust Manager.

Related party

The Trust is a registered charity, independent of the University. The Trust holds funds received from donors for the benefit of the University, but only distributes these funds to the University after checking compliance with the donors' wishes.

Risk Management

The Trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The Trustees continue to consider the variability of investment returns on the endowments to constitute the Trust's primary financial risk, compared to our target long term real rate of return of 4.5% p.a. Volatility in markets demonstrate this risk and continued into 2023/24. The funds continue to be managed by Aon Solutions UK Limited (formerly HRMSL and Aon Investment Limited) during the year of account, with scrutiny and oversight of their performance being undertaken by the Investment Sub-Committee in May 2023 and December 2023.

In addition, the endowments are managed on a total return basis, as explained in the section headed 'Financial Review: Investment Policy and Objectives'. The Trustees consider the use of the total return approach stabilises the resources available for making grants to the University.

OBJECTIVES AND ACTIVITIES

Public Benefit

Following the introduction of provisions regarding public benefit in the Charities Act 2011, the Trustees have reviewed the objectives and activities of the Trust in the context of the published guidance on public benefit produced by the Charity Commission. The Trustees consider that the objectives and activities of the Trust comply with this guidance and that, specifically, they support the University in the advancement of education and medical research for the public benefit.

Objects

The Trust was established to raise, receive and administer funds for the benefit of the University. The objects of the Trust remain as defined in the original Trust Deed: "such purposes as are exclusively charitable according to the Law of England and Wales and are deemed to further the work of the University." The role of fundraising was assigned to the University Development and Alumni Relations Council on its creation in 2003. With the growth of the University Development Office, now called the Advancement Office, and the dissolution of the Development and Alumni Relations Council, fundraising is now led by the Advancement Team. As provided in the Trust Deed, all funds are held solely for the benefit of the University. Grants are not made to any other individuals, organisations or charities.

Aims

The long term aims of the Trust are:

- To receive and invest donations to support the goals of the University and to distribute the funds to the University, within the context of the wishes of the donors and in accordance with Charity Law.
- To maximise the benefit derived from those donations received, through the effective and efficient management and investment of funds.

Main objectives for the period

The Trust's main objectives for the year ended 31 March 2024 were as follows:

- To continue to liaise closely with the University as to their potential requirements for support over the short medium and long term.
- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets.
- To restart the review of individual Endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To actively progress the incorporation of the Trust

Strategy to deliver objectives

- Work with the University to determine the best focus for increased distribution
- Review with the Investment Manager, at the six-monthly Investment Sub-Committee meetings, the investment performance of the Endowment Funds and report the discussions to the full Trustees' meetings.
- The Investment Sub-Committee to consider alternative methods of calculating distributions in the light of the outcome of the Trustees' strategy review.
- Continue discussions with the University, donors and the Charity Commission to update endowment names and objects where necessary.
- Digitise the original paperwork of the Trust to more easily facilitate future review
- Work with Sintons LLP to progress the incorporation of the Trust

ACHIEVEMENTS AND PERFORMANCE

Versus long term aims

- The Trust's funds have been invested to achieve a level of total return which has enabled the Trust to maintain the distribution rate of 4.5% of Fund value at the beginning of the year to the University, as well as to maintain the value of the Fund in real terms.
- The total value of the Trust's charitable funds increased during the year by £0.485m from £53,718m to £54,203. This change included governance costs of £0.050m (2023: £0.042m); distribution payments of £5.826m (2023: £6.393m) to the University. There were no new donations received/receivable in the year (2023: £0.002m). The invested funds in the year increased to £59,862m (2023: £57.007m). Of this capital movement (£6.224m) was due to investment gains in the year (2023 losses £0.405m). There has been recovery in the value of the portfolio compared to the previous financial year. Much of that improvement happened in the latter months of the year when market conditions improved.
- The stated objective of the Fund was to maintain the value of the funds in real terms and seek to outperform the composite benchmark by 1% or more. Further details are set out in the Financial Review section below.

ACHIEVEMENTS AND PERFORMANCE

- The Trust has worked with the University to refine the new process for the awarding and donation of funds which was developed in 2022/23. This process is working well for both the Trust and the University.
- Funds have been distributed in accordance with the donors' wishes.
- The Trustees encourage feedback from beneficiaries. The Trustees received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

'This bursary will allow me to fully immerse myself in my studies without the worry of spending so many hours working to be able to afford to live in Newcastle. Working alongside this course was proving difficult for me to balance and I will now be able to commit more time to my studies and assignments particularly since studying a Masters full time involves a demanding workload.' **Bursary recipient, studying Public Health**

'This bursary is giving me the chance to focus much more effort and energy towards my degree at Newcastle University' **Bursary recipient, studying Chemistry**

'The Newcastle University Sanctuary Scholarship Programme continues to uphold its commitment to providing equal access to higher education, and, with your support, is able to offer full tuition fee support and a bursary for living expenses to enable students from asylum-seeker and refugee backgrounds to progress to higher level study' **Sanctuary Programme Report for the Development Trust (December 2023)**

- Following the Trustees' Strategy Day in 2019, and discussion at the Trustees' Meeting in January 2020, it was agreed that the Trust would fund 100% of the cost of posts supported by the Trust over the next 3 to 5 years, starting in 2020/2021. This has continued through 2023/24 and has been reviewed and agreed again for 2024/25.
- Continuing with the Trustees stated aim to increase the annual level of support that the University receives from the Trust, in 2021/22 the Trustees pledged £500,000 over five years, to support the new Newcastle Student Fund at the University and the third instalment of £100,000 was donated in this period. The Trustees were delighted to see this instalment again used as match funding to encourage donations from other supporters.
- In addition to this, in 2022/23, the Trustees pledged a maximum of £1m to support the University's work as a University of Sanctuary. This was in response to the increase in demand as a result of the conflict in the Ukraine but supports the full remit of the University of Sanctuary work. Within the period, a pledge award letter for this was presented to the University, along with a later update to the terms of the pledge allowing the funds to be allocated over a slightly longer timeframe and also to be claimed and drawdown on an annual basis, no later than 31 March 2027.
- The Trustees agreed to progress the Incorporation of the Trust with this work commencing in the period.

FINANCIAL REVIEW

Introduction and Principal Funding Sources

As background, all the funds held by the Trust are applied for specific purposes in connection with the University's work. Accordingly, it is the Trustees' aim to invest these funds to maximise the total return (capital and income) from the funds, in accordance with prudent investment principles. Thus, the principal funding sources for the Trust are investment income and realised and unrealised gains on investments. During the year there was no direct investment income received in respect of funds held with the Aon AIL Adept Funds, as income from these funds is accumulated, there was other investment income of £0.129m relating to the

Introduction and Principal Funding Sources (continued)

completion of the wind up of two investments which were closed in 2021 - HRMSL Adept 24 - Diversified Absolute Return Fund and HRMSL Adept 26 – Global Fund with the residual balance received in November 2023. There was £0.008m (2023: £0.005m) Interest received in the year relating to the investment of cash balances. The gains on investment for the year £6.224m (2023: loss on investment of (£0.405m)).

In addition, the Trust receives donations and gifts which are designated for particular University purposes. As previously indicated, however, the Trust is not engaged in fundraising and so has no direct control over the level of donations and gifts received. Legacies received in the year were as follows:

- In May 2023 an interim payment of £0.5m was received from the Stephenson Estate. This was included in Post Balance Sheet events in the 2023/24 Accounts. It is understood that a further c£0.03m final payment will be received in the future.

Nature of the funds held

All the funds have been given by donors for specific “ring-fenced” purposes and are typically utilised to support the salary costs of individual posts such as Chairs and Lectureships and to support student-related scholarships and awards in various academic Schools within the University. The largest Fund, the Marjorie Robinson Bequest, was given for the benefit of the library. Funds have usually been received in response to specific appeals, or in the form of bequests for the benefit of particular aspects of the University’s teaching or research.

There were 73 Funds held on 31 March 2024 which were categorised as follows:

Permanent Endowment	24
Expendable Endowment	47
Restricted Income Fund	<u>2</u>
	<u>73</u>

Effective from 1 April 2023, the Trust changed its policy regarding Restricted Income Funds linked to Endowments. Previously, distribution of income was held in a designated Income Fund until spending proposals were approved. Under the new policy, unspent distribution income is now reinvested into the endowment fund, increasing the unit holdings by the reinvested amount. The simplification of the distribution process, aimed at the management of cash balances, has enabled this change. All Income Funds with related endowment funds held in the designated account as of 1 April 2023 were reinvested into their respective endowment fund reducing the number of Income Funds from 34 to two. These two remaining Income Funds which are not linked to an Endowment 2024: £0.003m (2023: £0.005m). The Trustees keep all Funds under review, receiving detailed reports twice each year, and take such action as is necessary to ensure that donors’ conditions continue to be met.

Results for the period

The Trust’s investment portfolio in 2023/24 delivered improved returns. Investments in the Global Impact Strategy increased by £2.836m in the 2023/24 financial year to a value of £42.417m (£39.581m at March 2023). Investments in Active Diversifiers reduced in year by £828k to £12.185m and funds invested in the Diversified Alternatives Strategy increased by £864m to £4.980m at March 2024.

The drawdown to cover the University commitment was £3.500m and with this reflected the overall increase in the portfolio.

Results for the period (continued)

Trustees remain concerned to ensure that funds compare well to the investment return target and to investment benchmarks. This risk is still reflected in our risk register (see above) and is the subject of ongoing discussion with our Investment Managers, Aon Solutions UK Limited. The performance of Aon Solutions UK Limited was scrutinised by the Investment Sub-Committee during the year and they have presented proposals to modify the investment portfolio. Discussions are on-going.

Funds' Performance 2023/24

Fund	March 2024 £'000	March 2023 £'000	Difference £'000	% change (+/-)
Global Impact Strategy (Adept 30)	42,417	39,581	+2,836	
Active Diversifiers Strategy (Adept 27)	12,185	13,012	-827	
Diversified Alternatives Strategy (Adept 31)	4,980	4,116	+864	
Cash	280	298	-18	
Total	59,862	57,007	2,855	+5 %

Investment Policy and Objectives

Since 1994 the Trust has operated a total return policy (capital and income) for its Endowment Funds. This was formalised by the Charity Commission through a sealed order from 6 August 2003 onwards. The Charity Commission also formalised, through a sealed order, the Trust's pooling scheme from 24 October 2003 onwards. This scheme authorises the Trust to combine its individual Permanent and Expendable Endowment Funds into one pooled fund and, separately, to also combine its Income Funds into one pooled fund. The Charity Commission has also confirmed that the base date for the purpose of calculating the unapplied total return for the Permanent Endowment Funds can be the date on which donations have been received and the accounts have been prepared on this basis. The anticipated long-term real rate of return from the Trust's Endowment Funds is 4.5% per annum. The annualised rate of 4.5% is unchanged from last year. The Investment Sub-Committee continues to monitor this rate closely in conjunction with the Investment Manager, in order to balance the needs of both present and future beneficiaries. This is to ensure that annual distributions from Permanent Endowments will not exceed the anticipated long-term real rate of return.

This is derived from a combination of the benchmarks for each of the individual Adept Strategy Funds in which the assets are invested. The performance objective agreed with Aon Solutions UK Limited is to outperform the Composite Benchmark by 1% or more per annum over the long term.

Distribution to the University

The distribution of £2.385m (2023: £2.656m) is calculated as 4.5% of the opening market valuation of endowments 2024 £52,993m (2023 £59.026m) The distribution is allocated as follows; £1.975m (2023: £1.388m) paid directly to the University as a contribution allowable costs, £nil (2023: , £0.941m) transferred to the Income Funds Trust and a further £0.410m (2023: £0.332m) reinvested due to either vacant posts in the year or spend being less than the distributed amount

Charitable Expenditure

The total charitable expenditure for the year was £5.826m (2023: £6.393m). The Endowment Fund portion in the year was £5.820m (2023 £4.571m). This is an aggregate of endowment distribution paid/payable to the University £1.975m (2022 £1.383m) and the accelerated payments to cover salary costs of £3.341m (2023 of £2.837m). In addition, endowment expenditure includes £0.100m relating to a contribution to the Newcastle University Student Fund (which is recurring for five years) and a £0.404 an agreed contribution to the University of Sanctuary Programme. The charitable expenditure of the income funds is the amount paid and payable from the Income Fund amounted to £0.006m (2022: £1.822m) of these there was a payment to the University of Sanctuary Programme of £0.004m from the undesignated Income Fund

Transfer between Funds

A total of £0.717 was transferred from the Income Funds to the Endowment Funds relating to the reinvestment of Income Fund balances due the Income Fund policy change. In 2023: £1.019m was transferred from the endowment funds and passed to the income funds.

Reserves Policy

The Trust has a less well-developed Reserves policy than many charities because of the “ring-fenced” nature of the majority of Funds it administers. In practice, should the income from a particular Fund prove insufficient to meet fully the costs of the designated area of activity within the University (e.g., the relevant academic salary), the University itself meets that shortfall from its own funds. The Trust holds no “Undesignated” Funds.

Trustee Policy Act Statement

The Trust’s Trustee Policy Act Statement is reviewed and approved annually. It includes detailed statements on:

- The Trust’s aim in investing its Endowment Funds
- Balance between capital growth and income generation
- Investment powers and restrictions
- Consideration of risk
- The timing of payments to the University
- Social, environmental and ethical practices
- Review of the Policy Statement.

Going Concern

The Trustees are satisfied that preparation of the financial statements on the going concern basis is appropriate as they have reasonable expectation that the Trust will continue in existence for a period of at least 12 months from the signing of the accounts. This expectation is based on the level of funds held (£54.2m at 31 March 2024) and the fact that Newcastle University is the sole beneficiary of disbursements from the Trust. The value of Investments at 31 March 2024 was £59.862m and even if this valuation was to fall by 59%, this would reduce the number of years the Trust could make the annual disbursement of £6.133m to Newcastle University to four years, but it would not impact the immediate solvency of the Trust. The Trustees will always have the option to pause the distributions to the University should investments fall significantly, and the funds not be available. It is noted that preliminary discussions have commenced with the University regarding the merging of the Newcastle University Development Trust funds into the Newcastle University Endowed Funds, the timeline for this is still to be decided but will not be within the next 12 months.

PLANS FOR FUTURE PERIODS

- To continue to liaise closely with the University as to their potential requirements for support over the short medium and long term.
- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets.
- To restart the review of individual Endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To continue to progress the Incorporation of the Trust

POST BALANCE SHEET EVENTS

- The Trust has pledged an initial £20m to the University in relation to the period from 2023/24 to 2026/27 financial year. The University was paid £5.85m against this pledge in relation to the 2023/24 period and the balance is subject to further discussion.
- In relation to the future of the Charity preliminary discussions have commenced regarding the merging of the Newcastle University Development Trust funds into the Newcastle University Endowed Funds, with full consideration of Charity Commission regulations and trustee succession to ensure donor wishes are maintained.
- In light of the above, progress on Incorporation has been paused until the future direction of the Trust has been confirmed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

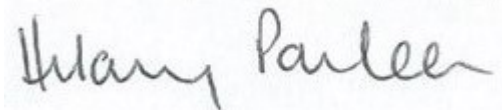
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under the law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of net income or expenditure and application of resources of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2019 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'Mary Parker', is written over a light blue rectangular background.

Mrs HA Parker – Chair of Trustees

DATE: 26 July 2024

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of The University of Newcastle upon Tyne Development Trust (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, 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).

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, including its income and expenditure, 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 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 UK, including the FRC'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 trustee's 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.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 in relation to which 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 12), the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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. In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiries with management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for indicators of potential bias.

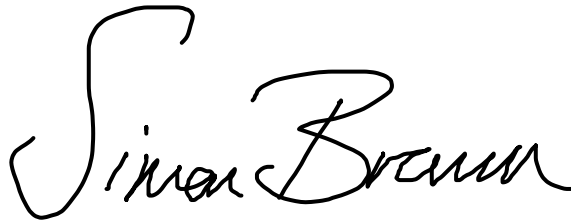
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: anti – bribery and corruption; and compliance with the UK Charities Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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 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 trustee for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, reading "Simon Brown". The signature is fluid and cursive, with the first name "Simon" and the last name "Brown" clearly distinguishable.

Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 26 July 2024

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2024

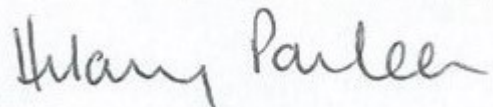
	Notes	Income Funds Unrestricted £'000	Restricted £'000	Endowment Funds £'000	2024 Total £'000	2023 Total £'000
Income and endowments from:						
Donations and legacies	3	-	-	-	-	2
Investment income	4	-	-	137	137	5
Total		-	-	137	137	7
Expenditure on:						
Charitable activities	5	(5)	(1)	(5,820)	(5,826)	(6,393)
Other	6	-	-	(50)	(50)	(42)
Total		(5)	(1)	(5,870)	(5,876)	(6,435)
Net gain/(loss) on investments		-	-	6,224	6,224	(405)
Net expenditure		(5)	(1)	491	485	(6,833)
Transfers between funds	7	-	(717)	717	-	-
Net movement in Funds		(5)	(718)	1,208	485	(6,833)
Reconciliation of funds:						
Total funds brought forward		5	721	52,992	53,718	60,551
Total funds carried forward	14/15	-	3	54,200	54,203	53,718

All incoming resources and resources expended are derived from continuing activities.

BALANCE SHEET AS AT 31 MARCH 2024

		Year Ended 31 March 2024		Year Ended 31 March 2023	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Investments	8		59,862		57,007
Current assets					
Debtors	9	30		530	
Cash at bank and in hand		186		482	
Total Current Assets		216		1,012	
Creditors: Amounts Falling Due Within One Year	10	(5,875)		(4,301)	
Net Current Assets			(5,659)		(3,289)
TOTAL ASSETS LESS CURRENT LIABILITIES			54,203		53,718
The Funds of the Charity:					
Income Funds:					
Restricted Funds		3		721	
Unrestricted Funds		-		5	
Total Income Funds	11/14		3		726
Total Endowment Funds	11/15		54,200		52,992
TOTAL CHARITY FUNDS			54,203		53,718

The financial statements on pages 18 to 34 were approved by the Board of Trustees on 10 July 2024 and signed on its behalf by:



Mrs HA Parker - CHAIR

26 July 2024



Mrs A Dragone - HONORARY TREASURER

26 July 2024

CASH FLOW STATEMENT for the Year Ended 31 March 2024

	Note	Year Ended 31 March 2024 £'000	Year Ended 31 March 2023 £'000
Cash flows from operating activities:			
Net cash used in operating activities:	17	(3,802)	(3,632)
Cash flows from investing activities			
Interest from investments		137	5
Proceeds from sale of investments	8	4,900	3,100
Purchase of investments		(1,550)	(600)
Change in cash and cash equivalents held in investments		19	(1)
Decrease in short-term liquid investments		-	-
		<u>3,506</u>	<u>2,504</u>
Net cash provided by investing activities		(296)	(1,128)
			-
Cash at 1 April		482	1,610
Cash at 31 March		<u><u>186</u></u>	<u><u>482</u></u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1(a) Basis of Preparation

The financial statements have been prepared under the assumption that the Trust is a going concern and using the historic cost convention, with the exception that investments are included at market value.

The University of Newcastle upon Tyne Development Trust is an unincorporated Charity registered in England. The Registered Office is Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU. The financial statements have been prepared in compliance with the Charities SORP (FRS 102) "Accounting and Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting by Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Development Trust is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

A summary of the principal accounting policies, which have been applied consistently, is set out below:

1(b) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

i) Donations

Donations, gifts and legacies are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

ii) Investment Income

Investment income and bank interest is recorded as income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual fund.

1(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount can be measured reliably.

Charitable Activities - the costs identified as wholly or mainly attributable to achieving the charitable objects of the Trust, these are payments to Newcastle University to support their activities.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

1(c) Expenditure (continued)

Other - includes all other costs relating to the general running of the Trust such as external audit fees, legal advice for Trustees, and administration the costs of meeting constitutional and statutory requirements and administration provided by Newcastle University and recharge to the Trust.

Investment Management Fees are currently deducted at source so are not identified separately

Irrecoverable VAT is charged to the category of expenditure for which it was incurred.

1(d) Payments to Newcastle University

Grants payable are recognised when payment is authorised by the Trustees.

(i) **Income Funds:** The Trust reimburses the University for expenditure incurred within the terms of the funds.

(ii) **Endowment Funds:** Payments from the endowment funds comprise of; the distribution element, 4.5 % of the endowment reserve balance for the year ended 31 March 2023 plus accelerated payments from endowment unapplied reserves and/or capital so the total payment covers the full salary costs of each funded posts. In addition commencing in year ended 31 March 2023 the Development Trust is funding a University scheme called The Sanctuary Fund'. Expenditure related to this scheme is allocated either to the fund that relates most closely to the area of activity the claim derives from, and if there is no relevant fund, to the Kirkby Endowment Fund, which has wider terms and the Undesignated Income Fund. The Development Trust also contributes to the University's 'Student Fund' and the expenditure for this purpose has been applied equally to the Harker and Randerson Funds.

1(e) Income Funds

Income funds are classified as either **Restricted** or **Unrestricted** Income Funds:

(i) **Restricted Income Funds:** Donated for a specific purpose. There is no requirement to maintain the original level of the donation. These funds are further categorised as:

'Income Funds **with** Supporting Endowments' - Income distributed from the endowments is placed on deposit pending approval of expenditure plans.

'Income Funds **with no** Supporting Endowments' - Funds donated with a definite purpose awaiting approval of expenditure plans.

(ii) **Unrestricted Income Funds** - These are funds which are donated with no specific purpose.

1(f) Endowment Funds

Endowments are held in a separate pool and are invested via an Investment Manager. When monies are transferred to the Investment Manager they are deemed to acquire units within the investment pool. The total investment return is apportioned to each fund within the pool based on the number of units held.

When funds are withdrawn from the endowment funds over and above the distribution allocation then the unit holding in the pool is adjusted proportionally. Incoming resources comprise investment income, in the form of dividend income, and interest on the bank balances held by the investment Manager.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

1(f) Endowment Funds (continued)

Expenditure relating to Endowment Funds is the distribution made to the University, at a rate approved by the Trustees, currently 4.5% per annum, accelerated salary allocations and a proportion of other costs.

If the Endowment is restricted to a particular post within the University and that post is vacant the University does not receive a distribution until the post is filled. The distribution during the vacant period is capitalised i.e. used to purchase an equivalent portion of units for the particular endowment.

Endowment funds are categorised as either **Permanent** or **Expendable**:

(i) **Permanent** - Funds from which only unapplied total return can be spent.

(ii) **Expendable** - Funds which can be spent entirely, but only with the approval of the Trustees.

We operate the 'Total Return' method for accounting for permanent endowments, meaning that the net accumulated gains on investments over the 'base value' is available for distribution (the 'unapplied return') **see Note 16** for calculations. If claim is greater than the unapplied return only the portion up to and equal to the available return can be distributed and the endowment is 'rested' until the unapplied return balance can further fund a claim.

1(g) Fixed Asset Investments

Fixed asset investments are shown in the financial statements at their market value at the balance sheet date. The resulting unrealised surplus or deficit is credited or debited to the fund account through the movement of the funds in the Statement of Financial Activities. The AIL Adept Funds are valued at net asset value at the accounting date.

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Trustees have not received, and are not entitled to receive remuneration for their services (2023: £nil). No Trustees have reclaimed any expenses in the period (2023: £nil). The ultimate controlling party of the Trust is considered to be the Trustees. There are no related party transactions.

3. DONATIONS AND LEGACIES

Income from donations and legacies in the year amounted to £nil (2023: £0.002m).

4. INVESTMENT INCOME

	2024 £'000	2023 £'000
Bank interest	8	5
Other investment Income	129	-
	137	5

Other Investment Income relates to the residual balance received from the wind-up of HRMSL Adept 24 - Diversified Absolute Return Fund and HRMSL Adept 26 - Global Equity Fund. The Development Trust previously held investments in these funds, which were subsequently dissolved in 2021. The wind-up process was completed in 2023, resulting in a payment of £0.129m being made to the Trust. All other income received from investments is accumulated in the respective investment fund.

NOTES TO THE ACCOUNTS

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2024 £'000	2023 £'000
Income Funds		
Grants to Newcastle University	1	1,822
Contribution to University of Sanctuary Programme	5	-
Total Income Funds	6	1,822
Endowment Funds		
Distribution to University in the Year *	1,984	1,388
Accelerated salary payments	3,332	2,837
Contribution to University of Sanctuary Programme	404	246
Contribution to Student Fund	100	100
Total Expenditure Funds	5,820	4,571
Total charitable expenditure in the year	5,826	6,393

*The sole beneficiary of all charitable expenditure is Newcastle University

Calculation of the distribution in the year		2024 £'000	2023 £'000
Market Value of endowments as at 1 Apr		52,993	59,022
Distribution 4.5% of 1 Apr Market value of endowments (a)	(i)	2,385	2,656
Distribution to Newcastle University funded by endowments in the year (b)	(ii)	1,984	1,383
Transfer to Income Funds (c)	(iii)	-	941
Retained in Endowment Funds (d)	(iv)	401	332
		2,385	2,656
The total distribution in the year is 4.5% the opening market value (1st April) of the value of endowments (i). A portion of this is paid directly to the University(ii). For Endowment Funds with Income Funds the distribution is held in the Income Fund bank account until a request is made for the funds(iii). Also funds may be retained in the Endowment Fund if there is a vacant post or it is unlikely that the funds will be needed in the year (iv)			

NOTES TO THE ACCOUNTS

6. OTHER EXPENDITURE

Investment Management Costs

The investment fees for AIL are deducted directly from the investment funds, these are the sole investment charges.

Analysis of Governance Costs

	2024 £'000	2023 £'000
Office costs	37	30
Audit Fees	13	11
Other	-	1
	50	42

There were no direct employees in the year (2023: nil)

Office costs include a recharge from the University £0.036m (2023: £0.030m) for support services provided by Newcastle University finance and administrative staff. This also includes a charge for trust management services provided by Newcastle University Advancement Office. All recharges are allocated to Governance. None of the costs have been allocated to Charitable Activities as the Development Trust is not currently actively fundraising.

7. TRANSFERS

	2024 £'000	2023 £'000
Distribution allocation transfer from Endowment Funds to be held in Income Funds	-	(949)
Additional transfers from endowment capital (to cover Income Fund deficit balances)	-	(170)
Additional transfer to endowment capital (reinvestment of Income Fund excess balances)	-	100
Reinvestment of Income Funds to supporting Endowment Funds	717	-
Transfer to/(from) Endowment to Restricted Funds in the year	717	(1,019)

In 2024 there were no transfers to/from the Income Funds with supporting endowments relating to Newcastle University activities (2023 £1.019m). The transfer between Endowments and Income Funds related to the reinvestment of Income Fund balances to each funds relevant supporting Endowment Fund. This was due to a change in the procedure of managing funds agreed by the Development Trust Trustees (July 2023).

NOTES TO THE ACCOUNTS

8. INVESTMENTS

	2024 £'000	2023 £'000
Market value at 1 April	57,007	59,911
Additions	1,550	600
Disposals	(4,900)	(3,100)
Investment gains / (losses)	6,224	(405)
Market value at end of year - 31 March	59,881	57,006
Movement in Investment Managers' Capital Accounts (cash)	(19)	1
Total Investments at 31 March	59,862	57,007
Historical cost of quoted investments	50,725	54,073

The Trustees believe that the carrying value of the investments is supported by the underlying net assets of the individual funds.

Investment Asset Allocation

	2024 £'000	2024 %	Control Ranges	2023 £'000	2023 %
Adept 30 - Global Equities (excl. tobacco)	42,417	71%	65%-75%	39,581	69%
Adept 27 - UK equities	12,185	20%	25%-35%	13,012	23%
Adept 31 - Diversified alternatives strategy	4,980	8%	0-10%	4,116	7%
Cash & Equivalent : UK	280	1%		298	1%
	59,862	100%		57,007	100%

NOTES TO THE ACCOUNTS

9. DEBTORS

	2024 £'000	2023 £'000
Donation receivable	30	530

The donation receivable is the estimated residual due from the Alice Stephenson bequest for Cancer Research carried forward from 2022. In May 2023 a payment on account of £0.500m was received from the executors of the Estate of Alice Stephenson.

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Auditors	13	11
Newcastle University	5,862	4,290
	5,875	4,301

The amount owed to Newcastle University is £5.862m (2023: £4.290m). This comprises funds relating to Charitable Activities, of these; recurrent Endowment Fund activities - £5.311m (2023: £3.248m); Income Fund recurrent activities- £0.001m (2023 £0.765m); financial support to Newcastle University Sanctuary Fund- £0.409m (2023: £0.246m) and financial support to Newcastle University Student Fund- £0.100m (2023: £0.100m). The amount relating to Income Funds has reduced significantly due to a change in administration within the year of Income Funds with Supporting Endowments. Additionally, the Newcastle University Creditor includes Governance costs of £0.036m (2023: £0.030m) representing the outstanding recharge invoice from the University for services provided by the University.

NOTES TO THE ACCOUNTS

11. THE FUNDS OF THE CHARITY

Income Funds:

Opening balance as at 1 April

Incoming funds

Expenditure

Net transfers to restricted funds

Total Income Funds at 31 March

Endowment Funds:

Opening balance as at 1 April

Donations and gifts

Investment income

Expenditure

Net transfers to restricted funds

Investment gains/(losses)

Total Endowment Funds at 31 March

Total Funds of the Charity

Note

14

15

	2024 £'000	2023 £'000
Opening balance as at 1 April	726	1,525
Incoming funds	-	4
Expenditure	(6)	(1,822)
Net transfers to restricted funds	(717)	1,019
Total Income Funds at 31 March	3	726
Opening balance as at 1 April	52,992	59,026
Donations and gifts	-	2
Investment income	137	1
Expenditure	(5,870)	(4,613)
Net transfers to restricted funds	717	(1,019)
Investment gains/(losses)	6,224	(405)
Total Endowment Funds at 31 March	54,200	52,992
Total Funds of the Charity	54,203	53,718

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2024 are represented by:

Investments

Debtors

Cash

Current liabilities

Income Unrestricted £'000	Restricted £'000	Endowment Funds £'000	Total 2024 £'000
-	-	59,862	59,862
-	-	30	30
-	3	183	186
-	-	(5,875)	(5,875)
-	3	54,200	54,203

13 TAXATION

The charity is a registered charity and as such is entitled to certain tax exemptions on income and gains from investments and all non-trading income is exempt from taxation.

NOTES TO THE ACCOUNTS

14. INCOME FUNDS

RESTRICTED FUNDS	1 April 2023 £'000	Movement in Incoming Resources £'000	Transfer from Endowment £'000	Expenditure £'000	31 March 2024 £'000
Korean Studies	53	-	(53)	-	-
Dr W E Harker Foundation	121	-	(121)	-	-
Kritchman Scholarships	1	-	(1)	-	-
Student Exploration (Travel Awards)	17	-	(17)	-	-
Barton De Loach	7	-	(7)	-	-
Jeffreys	3	-	(3)	-	-
Konishi	61	-	(61)	-	-
Randerson Foundation	44	-	(44)	-	-
Wilson Campbell Memorial Appeal	19	-	(19)	-	-
Sophia Lecture	12	-	(12)	-	-
Brian J Lewis Prize	3	-	(3)	-	-
James Skillington Memorial Fund	4	-	(4)	-	-
Charles Bosanquet Memorial Appeal	25	-	(25)	-	-
Swales Bequest	38	-	(38)	-	-
Mac Cooper Appeal	2	-	(2)	-	-
Robinson Library	46	-	(46)	-	-
Kummerman/Fisher Fund	2	-	(2)	-	-
Marjorie Robinson Bequest	76	-	(76)	-	-
Jack Jeffery Fund	6	-	(6)	-	-
Elsie Jeffery Bursary	2	-	(2)	-	-
Museum Conservation Fund	11	-	(11)	-	-
The Vesuvius plc Partners Bursary Fund	8	-	(8)	-	-
EM Henderson Bequest	5	-	(5)	-	-
Organ Scholarship	3	-	-	(1)	2
Bremner Smith Bequest	1	-	-	-	1
Alice Stephenson Bequest (Cancer Research)	72	-	(72)	-	-
Florence Kirby Estate	72	-	(72)	-	-
Foxcroft Estate	7	-	(7)	-	-
RESTRICTED FUNDS	721	-	(717)	(1)	3
UNRESTRICTED FUNDS	5	-	-	(5)	-
TOTAL INCOME FUNDS	726	-	(717)	(6)	3

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS

PERMANENT	1 April 2023	Donations and Gifts	Investment Income	Transfer to Rest'd Funds	Expenditure	Gain on Investments	31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Action Medical Research Chair of Neuromuscular Disease	1,811	-	4	-	(97)	213	1,931
Tyne and Wear Chair of Environmental Control Engineering	827	-	2	-	(134)	97	792
Readership in Microelectronics	429	-	1	-	(105)	50	375
William Leech fund for Biomedical Science	709	-	2	-	(124)	83	670
Lectureship in Rheumatology	998	-	3	-	(1)	117	1,117
NCKRF Nephrology (1)	604	-	1	-	(107)	71	569
NCKRF Nephrology (2)	610	-	1	-	(96)	72	587
William Leech/McQueen Fund Neuromuscular Disease	573	-	1	-	(132)	68	510
NECCR Clinical Paediatric Oncology	2,421	-	7	-	(150)	283	2,561
NCKRF Transplant Immunology	577	-	1	-	(3)	69	644
William Leech/Green Fund for Renal Transplantation	827	-	2	-	(92)	98	835
NCKRF Nephrology (3P)	241	-	1	-	-	27	269
Korean Studies	296	-	1	53	(33)	34	351
Jeffcock Medical Research Fund	309	-	1	-	-	36	346
Haswell Ellis Music Fellowship	41	-	-	-	-	5	46
Dr WE Harker Foundation	1,869	-	5	121	(82)	219	2,132
Kritchman Scholarships	18	-	-	1	(2)	3	20
Boon Research Fund	43	-	-	-	(5)	5	43
Student Exploration Appeal	94	-	-	17	(4)	12	119
Barton De Loach Bequest	46	-	-	7	(1)	6	58
Jeffreys Fund	13	-	-	3	(2)	3	17
Chinese Lectureship	50	-	-	-	-	6	56
Konishi Foundation Fellowship in East Asian Studies	309	-	1	61	(4)	36	403
Randerson Foundation	1,694	-	4	44	(112)	196	1,826
TOTAL PERMANENT FUNDS	15,409	-	38	307	(1,286)	1,809	16,277

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2023	Donations and Gifts	Net Investment Income	Transfer to Restricted Funds	Expenditure	Gain on Investments	31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jacobson Chair of Personalised Medicine	855	-	2	-	(200)	101	758
Chair of Energy Studies	1,063	-	3	-	(93)	124	1,097
Chair of Engineering Materials	45	-	-	-	(45)	10	10
Henry Daysh Chair of Regional Development Studies	914	-	2	-	(102)	111	925
Chair of Ocean Engineering	1,255	-	3	-	(98)	147	1,307
Alcan Chair of Management	687	-	2	-	(179)	82	592
Chair of Occupational Health	826	-	2	-	(97)	97	828
Sir James Woodeson Chair of Manufacturing Eng.	1,008	-	3	-	(119)	118	1,010
Roland Cookson Chair of Composite Materials Eng.	1,831	-	5	-	(112)	214	1,938
William Leech Fund for Primary Care	1,272	-	3	-	(167)	150	1,258
Readership in Marine Transport	510	-	1	-	(129)	60	442
William Leech Fund for Ageing and Chronic Disease	748	-	2	-	(228)	88	610
William Leech Fund for Bioengineering	754	-	2	-	(98)	85	743
William Leech Fund for Neuroscience	708	-	2	-	(79)	83	714
William Leech Fund for Musculoskeletal Disorders	506	-	1	-	(131)	61	437
Senior Lectureship in Pathology (Upgrading)	352	-	1	-	(138)	41	256
NECCR Non-Clinical Paediatric Oncology	1,567	-	4	-	(146)	184	1,609
Lectureship in Haematology	710	-	2	-	(71)	83	724
William Leech Fund for Immunology and inflammation	633	-	2	-	(1)	72	706
NCKRF Nephrology (3E)	342	-	1	-	-	40	383
Duke of Northumberland Appeal	2,326	-	6	-	9	274	2,615
Research Technician in Haematology	289	-	1	-	(30)	33	293
The Vesuvius plc Partners Bursary Fund	116	-	-	8	(40)	13	97
Siemens Chair in Microelectronics	160	-	1	-	(143)	19	37
William Benedict Coleman Scholarships	596	-	2	-	(91)	71	578
Dina Atter Research Fund	292	-	1	-	(38)	34	289
Continue on next page	20,365	-	54	8	(2,566)	2,395	20,256

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2023 £'000	Donations and Gifts £'000	Investment Income £'000	Transfer to Rest'd Funds £'000	Expenditure £'000	Gain on Investments £'000	31 March 2024 £'000
<i>Continued from previous page</i>	20,365	-	54	8	(2,566)	2,395	20,256
Wilson Campbell Memorial Appeal	23	-	-	19	-	5	47
Dr Henry Miller Memorial Appeal	247	-	1	-	(18)	30	260
Sophia Lecture	44	-	-	12	(1)	6	61
Museum Conservation Fund	84	-	-	11	-	10	105
Studentships in Medicine	67	-	-	-	(28)	8	47
Brian J Lewis Prize Fund	14	-	-	3	-	2	19
Charles Letts Memorial Appeal	173	-	1	-	(20)	20	174
James Skillington Memorial Fund	18	-	-	4	(3)	4	23
Charles Bosanquet Memorial Appeal	40	-	-	25	-	6	71
Swales Bequest	215	-	1	38	-	25	279
Mac Cooper Appeal	60	-	-	2	(59)	7	10
Robinson Library Fund	764	-	2	46	(47)	89	854
Kummerman/Fisher Fund	62	-	-	2	(21)	7	50
Marjorie Robinson Bequest	10,251	-	33	76	(846)	1,188	10,702
Jack Jeffery IRES Outreach Fund	15	-	-	6	-	6	27
Elsie Jeffery Bursary	32	-	-	2	(2)	8	40
EM Henderson Bequest	41	-	-	5	(20)	5	31
Dunlevy Fund	10	-	-	-	(1)	2	11
Alice Stephenson Bequest (Cancer Research)	1,665	-	2	72	(57)	194	1,876
Florence Kirby Estate	920	-	-	72	(302)	106	796
Foxcroft Estate	2,473	-	5	7	(593)	292	2,184
TOTAL EXPENDABLE FUNDS	37,583	-	99	410	(4,584)	4,415	37,923
TOTAL ENDOWMENTS FUNDS	52,992	-	137	717	(5,870)	6,224	54,200

NOTES TO THE ACCOUNTS

16. UNAPPLIED TOTAL RETURNS ON PERMANENT ENDOWMENT ACCOUNTS

Permanent Endowments	Unapplied Return at 1 April 2023	Total Return in Year	Allocated to Income in Year	Unapplied Return at 31 March 2024	Base Value	Total at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Action Medical Research Chair of Neuromuscular Disease	1,611	217	(97)	1,731	200	1,931
Chair of Environmental Control Engineering	693	99	(134)	658	134	792
Readership in Microelectronics	238	51	(105)	184	191	375
William Leech fund for Biomedical Science	584	85	(124)	545	125	670
Lectureship in Rheumatology	843	120	(1)	962	155	1,117
NCKRF Nephrology (1)	474	72	(107)	439	130	569
NCKRF Nephrology (2)	430	73	(96)	407	180	587
William Leech/McQueen Fund for Neuromuscular Disease	411	69	(132)	348	162	510
NECCR Clinical Paediatric Oncology	1,517	290	(150)	1,657	904	2,561
NCKRF Transplant Immunology	362	70	(3)	429	215	644
William Leech/Green Fund for Renal Transplantation	647	100	(92)	655	180	835
NCKRF Nephrology (3P)	196	28	-	224	45	269
Korean Studies	219	88	(33)	274	77	351
Jeffcock Medical Research Fund	274	37	-	311	35	346
Haswell Ellis Music Fellowship	-	5	-	5	41	46
Dr WE Harker Foundation	1,134	345	(82)	1,397	735	2,132
Kritchman Scholarships	11	4	(2)	13	7	20
Boon Research Fund	23	5	(5)	23	20	43
Student Exploration Appeal	38	29	(4)	63	56	119
Barton De Loach Bequest	20	13	(1)	32	26	58
Jeffreys Fund	5	6	(2)	9	8	17
Chinese Lectureship	-	6	-	6	50	56
Konishi Foundation Fellowship in East Asian Studies	159	98	(4)	253	150	403
Randerson Foundation	564	244	(112)	696	1,130	1,826
Total Unapplied Return and Valuation as at 31 March	10,453	2,154	(1,286)	11,321	4,956	16,277

NOTES TO THE ACCOUNTS

17. RECONCILIATION OF THE NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2024 £'000	2023 £'000
Net expenditure for the year	485	(6,833)
Gain/(loss) on investments	(6,224)	405
Investment income	(137)	(5)
Decrease in debtors (excluding investment income receivable)	500	-
Increase in creditors	1,574	2,801
Net cash (used in) operating activities	(3,802)	(3,632)

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1 April 2023	Cash flow	31 March 2024
	£'000	£'000	£'000
Closing net funds	482	(296)	186

Accounts

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST
and other related charities



TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Charity Commission No: 528066

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

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THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report along with the audited accounts of the Trust for the year ended 31 March 2022.

REFERENCE AND ADMINISTRATIVE INFORMATION

Status The University of Newcastle upon Tyne Development Trust is a Charity registered with the Charity Commission (No. 528066)

Address Finance & Planning
Newcastle University
King's Gate
Newcastle upon Tyne NE1 7RU

Trustees The Trustees of the Charity in office at the date of the approval of the financial statements were:

Mrs HA Parker (Chair)
Professor D Burn*
Mr W Connolly *
Professor CP Day (Vice Chancellor)
Dr VA Hammond
Mrs VS Johnston *
Mr DG Jennings (Honorary Treasurer)
Mr N Swales

* Appointed by the Council of Newcastle University

Trust Manager Ms FJ Watson

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Independent Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS	Solicitors	Wrigleys Rotterdam House 116 Quayside Newcastle upon Tyne NE1 3DY
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ		
Investment Managers	Aon Investments Limited The Aon Centre The Leadenhall Building 122 Leadenhall Street London, EC3V 4AN	Investment Custodians	The Bank of New York Mellon One Canada Square London E14 5AL

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust was established for the benefit of the University of Newcastle upon Tyne and is governed by a Deed dated 10 May 1972.

Appointment of Trustees

The Trust Deed allows for a minimum of six and a maximum of twelve Trustees. The Trustees, who were in post at 31 March 2022 and at the date of this report are set out on page 3. Dr VA Hammond was appointed as a Trustee on 1 May 2021. The Vice-Chancellor of the University is an ex-officio Trustee. The Council of the University appoints up to four of the total number of Trustees, excluding the Vice-Chancellor, and at the date of this report three of these posts were filled. The remaining non ex-officio Trustees are recruited from individuals recommended by the existing Trustees. No Trustees, whether ex-officio or non-ex-officio, receive benefits from the Trust in their capacity as Trustees other than occasional out of pocket expenses. Under the Trust Deed, Trustees may serve two consecutive three-year terms of office. They can be nominated to serve further terms but only after one year has elapsed from the date of the termination of their previous appointment. Mrs HA Parker, Prof D Burn, Mr W Connolly and Mrs VS Johnston are currently serving their second consecutive term of office. In the period, following legal advice, it was agreed by Trustees Resolution, to extend the term of Mrs HA Parker as Chair of the Trust past May 2022. This was agreed on the basis that the relationship between the Development Trust and the University is at a critical point. The relationship between the two organisations has changed dramatically and the University are about to launch the Campaign for Newcastle. The Development Trust will play an integral role in the Campaign, and the Chair has been involved with the planning for the Campaign, including being invited to sit on the Campaign Advisory Circle.

Trustee induction and training

On appointment, new Trustees receive an induction pack and are offered the opportunity to attend relevant courses. The induction pack contains, inter alia, copies of: the Trust Deed, the Trustee Act 2000 Policy Statement, the Trust Risk Register, the last two sets of the Trustees' Report and Accounts, minutes of recent Trustee meetings and Sub-Committee meetings, and the Charity Commission booklet "The Essential Trustee". During their term of office Trustees are encouraged to attend courses and conferences appropriate to their roles.

Organisational structure and decision making

Trustees' Meetings are held twice each year and at such other times as the administrative requirements of the Trust dictate. An Investment Sub-Committee holds meetings at least twice each year with the Investment Manager and there were four meetings during the year ended 31 March 2022. The Sub-Committee is chaired by the Honorary Treasurer (Mr DG Jennings). Mrs HA Parker and Mr N Swales are also Trustee members. The meetings are attended by the Trust Manager and the University Executive Director of Finance. The Sub-Committee reports to the full Board of Trustees twice each year. The Trustees form additional sub-committees in cases where the administration of endowments warrants them and such committees all report to the full Board of Trustees.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Organisational structure and decision making (continued)

There are currently sub-committees involved in the administration of the WE Harker Foundation, the Randerson Foundation and the Robinson Library and Marjorie Robinson Bequest Funds. The award of studentships from the Harker and Randerson Foundations is carried out by the University Faculty of Medical Sciences Post Graduate Research Committee and Ms FJ Watson attended their meeting in February 2022 to represent the Trust. The Robinson

Library/Marjorie Robinson Bequest Sub-Committee was chaired by Mrs HA Parker and then Dr VA Hammond (from 1 May 2021) during the year, with Mr DG Jennings also a Trustee member. Ms FJ Watson is the Trust Manager. The Trust Manager is employed on a part-time basis, by way of a Secondment from Newcastle University. The Trust's accounts are prepared by the University's Finance Office and the Trust Manager.

Related party

The Trust is a registered charity, independent of the University. The Trust holds funds received from donors for the benefit of the University, but only distributes these funds to the University after checking compliance with the donors' wishes.

Risk Management

The Trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The Trustees consider poor performance and variability of investment returns on the endowments to constitute the Trust's primary financial risk, compared to our target long term real rate of return of 4.5% p.a. The extreme volatility in world stock markets in recent years, and particularly through 2021 and into 2022, has demonstrated this risk. In March 2021 the Trustees agreed to take action to change its fund management arrangements in order to enhance its investment in funds demonstrating Environmental, Social and Governance credentials; whilst mitigating its exposure to the equities market by investing in two alternative diversifier strategies. Aon proposed two replacement funds and a change in the Asset Allocation target, with a recommendation that 70% of funds be held in the new Global Impact Equities Fund (+/-5%) and 30% be held in two Diversified return funds. This revised asset allocation was approved by NUDT Trustees in March 2021. The necessary actions to make this change happened on 31st March 2021, and into early April 2021, with investment in a new Global Impact Equities Fund, and two Diversifier Funds to provide a degree of protection to the Trust in times of equity volatility. The funds continue to be managed by Aon Solutions UK Limited (formerly HRMSL and Aon Investment Limited) during the year of account, with scrutiny and oversight of their performance being undertaken by the Investment Sub-Committee in May 2021, November 2021, and May 2022.

In addition, the endowments are managed on a total return basis, as explained in the section headed 'Financial Review: Investment Policy and Objectives'. The Trustees consider the use of the total return approach stabilises the resources available for making grants to the University.

The Trustees considered the main operational risk during this period to be associated with the retirement of the University's Director of Finance. To manage

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Organisational structure and decision making (continued)

this risk the Chair, Treasurer and Trust Manager met with the outgoing and incoming Directors of Finance as part of their handover and have continued to meet with the new Director of Finance on a regular basis. This risk is expected to be removed from the register early in the 2022/2023 year. The Trustees review these risks and other subsidiary risks identified in the Risk Register on an ongoing basis and satisfy themselves that adequate systems and procedures are in place.

OBJECTIVES AND ACTIVITIES

Public Benefit

Following the introduction of provisions regarding public benefit in the Charities Act 2011, the Trustees have reviewed the objectives and activities of the Trust in the context of the published guidance on public benefit produced by the Charity Commission. The Trustees consider that the objectives and activities of the Trust comply with this guidance and that, specifically, they support the University in the advancement of education and medical research for the public benefit.

Objects

The Trust was established to raise, receive and administer funds for the benefit of the University. The objects of the Trust remain as defined in the original Trust Deed: “such purposes as are exclusively charitable according to the Law of England and Wales and are deemed to further the work of the University.” The role of fundraising was assigned to the University Development and Alumni Relations Council on its creation in 2003. With the growth of the University Development Office, now called the Advancement Office, and the dissolution of the Development and Alumni Relations Council, fundraising is now led by the Advancement Team. As provided in the Trust Deed, all funds are held solely for the benefit of the University. Grants are not made to any other individuals, organisations or charities.

Aims

The long term aims of the Trust are:

- To receive and invest donations to support the goals of the University and to distribute the funds to the University, within the context of the wishes of the donors and in accordance with Charity Law.
- To maximise the benefit derived from those donations received, through the effective and efficient management and investment of funds.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Main objectives for the period

The Trust's main objectives for the year ended 31 March 2022 were as follows:

- To continue to liaise closely with the University as to their potential requirements for support over the short medium and long term with a view to developing a 5 year expenditure plan in conjunction with the Trustees stated aim to increase the annual level of support that the University receives from the Trust.
- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets as a result of the Covid 19 pandemic.
- To continue with the review of individual endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To continue with the implementation of the recommendations from the governance review so that the Trustees can better demonstrate that the Trust is meeting the Charity Commission's requirements.
- To recruit at least two new Trustees.

Strategy to deliver objectives

- Work with the University to determine the best focus for increased distribution
- Review with the Investment Manager, at the six monthly Investment Sub-Committee meetings, the investment performance of the Endowment Funds and report the discussions to the full Trustees' meetings.
- The Investment Sub-Committee to consider the use of CPI and decide whether to make a proposal to the full Board to amend the target return.
- The Investment Sub-Committee to consider alternative methods of calculating distributions in the light of the outcome of the Trustees' strategy review.
- Continue discussions with the University, donors and the Charity Commission to update endowment names and objects where necessary.
- The Governance Sub-Committee to progress the implementation of the recommendations arising from the Governance Review.

ACHIEVEMENTS AND PERFORMANCE

Versus long term aims

- The Trust's funds have been invested to achieve a level of total return which has enabled the Trust to maintain the distribution rate of 4.5% of Fund value at the beginning of the year to the University, as well as to maintain the value of the Fund in real terms.
- The total value of the Trust's charitable funds decreased during the year by £0.643m from £61.194m to £60.551m. This change included costs of £0.058m (2021: £0.051m); distribution payments of £5.068m (2021: £4.760m) to the University; and new donations received/receivable of £0.731m (2021: £0.124m). The invested funds in the year increased to £59.911m (2021: £56.178m). This capital movement of £3.733m was due to

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Versus long term aims (continued)

investment gains in the year (2021: £13,639). The unusually high level of capital gain in 2021 was the result of the value of equities improving significantly in that year as governments across the world addressed the financial fall out of Covid 19 resulting in a substantial investment gain.

- The stated objective of the Fund was to maintain the value of the funds in real terms and seek to outperform the composite benchmark by 1% or more. Further details are set out in the Financial Review section below.

ACHIEVEMENTS AND PERFORMANCE

- Funds have been distributed to the University twice during the period, in accordance with the donors' wishes.
- The Trustees encourage feedback from beneficiaries. The Trustees received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

"My lack of a quality personal computer has also impacted my university work thus far, as I've only been able to sufficiently complete my work on site - something that isn't practical in the later hours of the day in which I often have a want to complete work or further my knowledge in relation to my field of study. This award will allow me to invest in a personal computer, effectively increasing the hours that I'm able to work and allowing for further flexibility in when and how I work, further contributing to a healthier work-life balance for myself. For this, I'm incredibly grateful." **Bursary recipient, studying Computer Science**

"This bursary will allow me to complete my studies as well as give me a great deal of financial security and the peace of mind that comes with it. As my family cannot always support me financially, money at university has always been one of my biggest stressors, so I truly cannot put into words how much this bursary will mean to me, and how much it will improve my mental health." **Bursary recipient, studying Public Health**

- Following the Trustees' Strategy Day in 2019, and discussion at the Trustees' Meeting in January 2020, it was agreed that the Trust would fund 100% of the cost of posts supported by the Trust over the next 3 to 5 years, starting in 2020/2021.
- Continuing with the Trustees stated aim to increase the annual level of support that the University receives from the Trust, the Trustees pledged £500,000 over five years, to support the new Newcastle Student Fund at the University. The Trustees were delighted to see the first instalment of this used as match funding to encourage donations from other supporters.
- The implementation of the recommendations from the Governance Review has continued during the year, including amongst other matters, the completion of the Trustees' Skills audit.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

FINANCIAL REVIEW

Introduction and Principal Funding Sources

As background, all the funds held by the Trust are applied for specific purposes in connection with the University's work. Accordingly, it is the Trustees' aim to invest these funds to maximise the total return (capital and income) from the funds, in accordance with prudent investment principles. This maximises the payments that can be made to the University whilst aiming to preserve the real value of the funds. Thus, the principal funding sources for the Trust are investment income and realised and unrealised gains and losses on investments. During the year there was no direct investment income received in respect of funds held with the Aon AIL Adept Funds, as income from these funds is accumulated, however £19,000 of direct investment income was received in respect to the funds held on the Flagstone Deposit Platform during the year.

In addition, the Trust receives donations and gifts which are designated for particular University purposes. As previously indicated, however, the Trust is not engaged in fundraising and so has no direct control over the level of donations and gifts received. Legacies received in the year were as follows:

- In December 2021, the Trust received a further contribution of £0.200m to the Alice Stephenson Bequest for Cancer Research from Mrs Stephenson's estate bringing the total received so far to £1.144m. The Trust were informed at the yearend that a further amount in the region of £0.530m is due in 2023 as settlement of the Estate this has been included in debtors as 'donation receivable'.
- In June 2021 a residual amount of £0.001m was received as a final payment from the Foxcroft estate bringing the total donation received over the last couple of years to £2.415m relating to this expendable endowment.

Nature of the funds held

All but one of the funds have been given by donors for specific "ring-fenced" purposes and are typically utilised to support the salary costs of individual posts such as Chairs and Lectureships and also to support student-related scholarships and awards in various academic Schools within the University. The largest Fund, the Marjorie Robinson Bequest, was given for the benefit of the Library. Funds have usually been received in response to specific appeals, or in the form of bequests for the benefit of particular aspects of the University's teaching or research.

There were 106 Funds held at 31 March 2022 which were categorised as follows:

Permanent Endowment	24
Expendable Endowment	48
Restricted Income WITH Endowment	31
Restricted Income NO Endowment	2
Unrestricted	1
	106

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Nature of the funds held (continued)

It can be seen that, similar to the Endowments, all but one of the Income Funds are Restricted, i.e. donors have given directions as to how the monies are to be spent. In the case of Restricted Income Funds which are linked to Endowments the Trustees do not seek to hold reserves but rather to hold income in a designated fund until detailed spending proposals have been received in order to be sure that expenditure fully complies with the terms of the Endowment.

In the case of Restricted Income Funds which are not linked to an Endowment 2022: £0.018m (2021: £0.038m), monies have been received for expenditure over the short-term so have not been invested within the Trust's Endowment portfolio. The Trustees keep all Funds under review, receiving detailed reports twice each year, and take such action as is necessary ensure that donors' conditions continue to be met.

Results for the period

Following a large decrease the value of the Trust's investment funds in 2020 of £7.078m, the value of equities improved significantly in 2021 as governments across the world addressed the financial fall out of Covid 19 resulting in a substantial investment gain of £13.640m. However, this was in the context of uncertainty in global economies and financial markets. Returns during 2021/22 have continued to be positive, gaining £3.733m, though our returns have reduced compared to a 'highwater-mark of November 2021, reflecting a recovery in world markets after most of the COVID pandemic, but before the outbreak of war in Ukraine, which had, and continues to have, a major destabilising effect on world economies.

The Trust's investment portfolio in 2021/22 delivered variable returns. Whilst there was positive growth in the total asset value of the Trust, the Global Impact Equities Strategy underperformed compared to its benchmark and compared to the investment objective (which is benchmark plus 1%). One year return was +6.6%, compared to benchmark of +9.6%, (3% lag), and a 4% lag compared to the investment benchmark of 10.6%. The Diversifier Strategies both performed better compared to benchmarks, though with some variability, and with the Alternative Diversifier Strategy performing better than the Diversified Alternatives Strategy. In their May 2022 meeting the Investment Sub-Committee spent their time focusing with Aon on understanding the variable returns being delivered, including the extent to which benchmarks have been influenced by the underlying strength in traditional industries such as Oil and Gas, which the Trustees decided to move away from in their April 2021 portfolio realignment.

However, as disclosed in the previous two year's Annual Reports, Trustees remain concerned about the relative underperformance of funds compared to our investment return target and compared to investment benchmarks. This risk is still reflected in our risk register (see above) and is the subject of ongoing discussion with our Investment Managers, Aon Solutions UK Limited. The performance of Aon Solutions UK Limited was scrutinised by the Investment Sub-Committee during the year.

The year-end value of the funds is shown below together with their performance (net of fees) compared with their benchmark. The investment in new funds, completed in the subsequent financial year 2021/22, is shown further below for completeness.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

Results for the period (continued)

Funds' Performance 2021/22

	Value 1.4.2021	Value 31.3.2022	% Holding at Year end	Change In year (includes redemption)	Absolute gain in the year	% Return (net of fees)	% Benchmark Return	Variation from Target Return*
	£m	£m	%	£m	£m	%	%	%
Adept Strategy 27 Fund: Active Diversifiers Strategy AND Adept Strategy 31 Fund: Diversified Alternatives Strategy	19.123	16.838	28.1	-2.285	0.145	2.0	+2.9	-1.2
Adept Strategy 30 Fund: Global Impact Strategy	36.922	42.775	71.4	+5.853	3.419	4.6	+6.7	-2.8
Cash	0.132	0.297	0.5	+0.165				
TOTAL	56.177	59.910	100	+3.733	3.564	6.6	+9.6	-4.0
<i>*being 1% above benchmark</i>								

The Trustees continue to recognise that the long-term objective of the portfolio delivering a real rate of return of 4.5% per annum is more challenging, particularly if RPI is used as a measure of inflation. Therefore it has been agreed that going forward CPI will be used as a measure of inflation.

Investment Policy and Objectives

Since 1994 the Trust has operated a total return policy (capital and income) for its Endowment Funds. This was formalised by the Charity Commission through a sealed order from 6 August 2003 onwards. The Charity Commission also formalised, through a sealed order, the Trust's pooling scheme from 24 October 2003 onwards. This scheme authorises the Trust to combine its individual Permanent and Expendable Endowment Funds into one pooled fund and, separately, to also combine its Income Funds into one pooled fund. The Charity Commission has also confirmed that the base date for the purpose of Calculating the unapplied total return for the Permanent Endowment Funds can be the date on which donations have been received and the accounts have been prepared on this basis. The anticipated long term real rate of return from the Trust's Endowment Funds is 4.5% per annum. The annualised rate of 4.5% is unchanged from last year. The Investment Sub-Committee continues to monitor this rate closely in conjunction with the Investment Manager, in order to balance the needs of both present and future beneficiaries. This is to ensure that annual distributions from Permanent Endowments will not

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Investment Policy and Objectives (continued)

exceed the anticipated long term real rate of return. This is derived from a combination of the benchmarks for each of the individual Adept Strategy Funds in which the assets are invested. The performance objective agreed with Aon AIL is to outperform the Composite Benchmark by 1% or more per annum over the long term.

Distribution to the University

The distribution of £2.701m (2021: £2.295m) is calculated as 4.5% of the opening market valuation of endowments 2022 £60.020m (2021 £50.993). The distribution is allocated as follows; £1.556m (2021: £1.350) paid directly to the University as a contribution to salary costs, £0.959m (2021: £0.891m) transferred to the Income Funds pending spending plans being submitted to the Trust and a further £0.186m (2021: £0.0054m) reinvested due to vacant posts in the year or sufficient balances on Income Funds.

Charitable Expenditure

The total charitable expenditure for the year was £5.068m (2021: £4.760m). The endowment portion in the year was £4.458m (2021 £3.789m). This is an aggregate of endowment distribution paid/payable to the University £1.574m (2021 £1.350m) and the accelerated payments to cover salary costs of £2.107m (2021 £1.136m). In addition endowment expenditure includes £0.1m relating to a contribution to the Newcastle University Student Fund (which is recurring for five years) and a £0.677 provision for an agreed contribution to the Farrell Centre currently under construction by the University which is to come from the Florence Kirby expendable endowment fund. In 2021 there was a one off agreement to cover library periodicals in the year (2021: £1.303m). The charitable expenditure of the income funds is the actual payments from the income fund following agreement by the Trustees to the University following Trustee approval of spending plans in the year it amounted to £0.610m (2021: £0.971m).

Transfer between Funds

A total of £0.938m (2021: £0.891m), from the endowment funds, passed to the income funds in relation to the distribution. An additional capital transfer of £0.023m (2021 £0.010m) gives the total transfer between endowment funds and income funds of £0.961m (2021 £0.901m) in the year.

Reserves Policy

The Trust has a less well-developed Reserves policy than many charities because of the “ring-fenced” nature of the majority of Funds it administers. In practice, should the income from a particular Fund prove insufficient to meet fully the costs of the designated area of activity within the University (e.g. the relevant academic salary), the University itself meets that shortfall from its own funds. The Trust holds an “Undesignated” Fund, valued at £0.005m (2021: £0.005m).

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Trustee Policy Act Statement

The Trust's Trustee Policy Act Statement, is reviewed and approved annually. It includes detailed statements on:

- The Trust's aim in investing its Endowment Funds
- Balance between capital growth and income generation
- Investment powers and restrictions
- Consideration of risk
- The timing of payments to the University
- Social, environmental and ethical practices
- Review of the Policy Statement.

Going Concern

The Trustees are satisfied that preparation of the financial statements on the going concern basis is appropriate as they have reasonable expectation that the Trust will continue in existence for a period until at least 31 March 2023. This expectation is based on the level of funds held (£60m at 31 March 2022) and the fact that Newcastle University is the sole beneficiary of disbursements from the Trust. The value of Investments at 31 March 2022 was £59.9m and even if this valuation was to fall by 75%, this would reduce the number of years the Trust could make the annual disbursement to Newcastle University to four years, but it would not impact the immediate solvency of the Trust. The Trustees will always have the option to pause the distributions to the University should investments fall significantly and the funds not be available.

PLANS FOR FUTURE PERIODS

- To continue to liaise closely with the University as to their potential requirements for support over the short medium and long term with a view to developing a 5 year expenditure plan in conjunction with the Trustees stated aim to increase the annual level of support that the University receives from the Trust.
- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets as a result of the Covid 19 pandemic and the war in the Ukraine.
- To continue with the review of individual Endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To continue with the implementation of the recommendations from the governance review so that the Trustees can better demonstrate that the Trust is meeting the Charity Commission's requirements.
- To consider and review incorporation of the Trust
- To recruit at least two new Trustees.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

POST BALANCE SHEET EVENTS

a University of Sanctuary, in light of the war in the Ukraine. The Trustees met and, following discussions, agreed to pledge a maximum of £1m of additional funding over a 12 month period, subject to a report being submitted to their summer 2022 Trustees Meeting, detailing both the demand for this funding and any actual or planned expenditure, therefore the actual level of this award is still to be confirmed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under the law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of net income or expenditure and application of resources of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

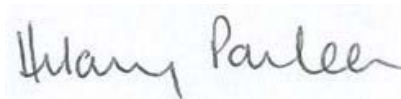
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Azets Audit Services Limited, trading as Azets Audit Services, were appointed as Auditors to the Trust during the year. Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Trustees Meeting.

Approved by the Trustees and signed on their behalf by:

DATE: 7/9/22



Mrs HA Parker – Chair of Trustees

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST
FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The University of Newcastle upon Tyne Development Trust (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standard, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom 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 2022 and of its incoming resources and application of resources, including its income and expenditure 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 UK, including the FRC'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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

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 original financial statements were 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.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

Responsibilities of the trustee

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 15), the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 trustee is 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 trustee either intends 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

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: anti – bribery and corruption; and, compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

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 trustee in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustee those matters we are required to state to the trustee 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 trustee for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 8/9/2022

Azets Audit Services is a trading name of Azets Audit Services Limited

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 March 2022

	Notes	Income Unrestricted £'000	Restricted £'000	Endowment Funds £'000	2022 Total £'000	2021 Total £'000
Income and endowments from:						
Donations and legacies	3	-	-	731	731	124
Investment income	4	-	-	19	19	6
Total		-	-	750	750	130
Expenditure on:						
Charitable activities	5/6	-	(610)	(4,458)	(5,068)	(4,760)
Other		-	-	(58)	(58)	(51)
Total		-	(610)	(4,516)	(5,126)	(4,811)
Net gain on investments		-	-	3,733	3,733	13,639
Net (expenditure)/income		-	(610)	(33)	(643)	8,958
Transfers between funds	7	-	961	(961)	-	-
Net movement in Funds		-	351	(994)	(643)	8,958
Reconciliation of funds:						
Total funds brought forward		5	1,169	60,020	61,194	52,236
Total funds carried forward	14/15	5	1,520	59,026	60,551	61,194

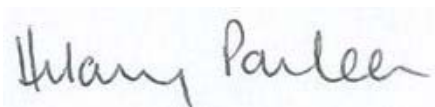
All incoming resources and resources expended are derived from continuing activities.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

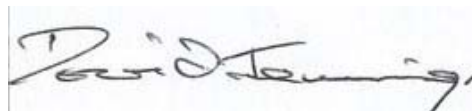
BALANCE SHEET as at 31 March 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	8		59,911		56,178
Current assets					
Debtors	9	530		11	
Short-term liquid investments		-		1,685	
Cash at bank and in hand		1,610		4,141	
Total Current Assets		2,140		5,837	
Creditors: Amounts Falling Due Within One Year	10	(1,500)		(821)	
Net Current Assets			640		5,016
TOTAL ASSETS LESS CURRENT LIABILITIES			60,551		61,194
The Funds of the Charity:					
Income Funds:					
Restricted Funds		1,520		1,169	
Unrestricted Funds		5		5	
Total Income Funds	11/14		1,525		1,174
Total Endowment Funds	11/15		59,026		60,020
TOTAL CHARITY FUNDS			60,551		61,194

The financial statements on pages 20-38 were approved by the Board of Trustees on 7/9/22 and signed on its behalf by:



Hilary Parker (Chair)



David Jennings (Honorary Treasurer)

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

CASH FLOW STATEMENT for the Year Ended 31 March 2022

	Note	Year Ended 31 March 2022		Year Ended 31 March 2021	
		£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash used in operating activities:	17	-	(4,235)	-	(2,259)
Cash flows from investing activities					
Interest from investments		19		6	
Proceeds from sale of investments	8	922		30,484	
Purchase of investments		(19,900)		(7,110)	
Change in cash and cash equivalents held in investments		18,978		(16,373)	
(Increase) in short-term liquid investments		1,685		(1,685)	
			1,704		5,322
Net cash provided by investing activities			(2,531)		3,063
Cash at 1 April			4,141		1,078
Cash at 31 March			1,610		4,141

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

1(a) Basis of Preparation

The financial statements have been prepared under the assumption that the Trust is a going concern and using the historic cost convention, with the exception that investments are included at market value.

The University of Newcastle upon Tyne Development Trust is an unincorporated Charity registered in England. The Registered Office is Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU. The financial statements have been prepared in compliance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

A summary of the principal accounting policies, which have been applied consistently, is set out below:

1(b) Donations and Legacies

Donations, gifts and legacies are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

1(c) Investment Income

Income for Restricted and Unrestricted Income Funds is allocated on the basis of actual interest receivable on the income fund bank accounts, in proportion to each income fund. There is no investment income for endowment funds.

1(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable Activities - the costs identified as wholly or mainly attributable to achieving the charitable objects of the Trust, these are payments to Newcastle University to support their activities.

Other - includes all other costs relating to the general running of the Trust such as external audit fees, legal advice for Trustees, and administration the costs of meeting constitutional and statutory requirements and administration provided by Newcastle University and recharge to the Trust.

Investment Management Fees are currently deducted at source so are not included.

Irrecoverable VAT is charged to the category of expenditure for which it was incurred.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

1(e) Payments to Newcastle University

Grants payable are recognised when payment is authorised by the Trustees

(i) **Income Funds:** The Trust reimburses the University for expenditure incurred within the terms of the funds.

(ii) **Endowment Funds:** For the period ended 31 March 2022 payments were made out of the Endowment Funds which comprise 4.5 % of the endowment assets at 31 March 2021. In addition the Trustees have agreed the release of further funds to cover the full salary costs incurred by the University and these accelerated payments have been included here.

1(f) Income Funds

Income funds are classified as either **Restricted** or **Unrestricted** Income Funds:

(i) **Restricted Income Funds:** Donated for a specific purpose. There is no requirement to maintain the original level of the donation. These funds are further categorised:

'Income Funds **with** Supporting Endowments' - Income distributed from the endowments is placed on deposit pending approval of expenditure plans.

'Income Funds **with no** Supporting Endowments' - Funds donated with a definite purpose awaiting approval of expenditure plans.

(ii) **Unrestricted Income Funds** - These are funds which are donated with no specific purpose.

1(g) Endowment Funds

Endowments are held in a separate pool and are invested via an Investment Manager.

When monies are transferred to the Investment Manager they are deemed to acquire units within the investment pool. The total investment return is apportioned to each fund within the pool based on the number of units held.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

1(g) Endowment Funds (continued)

Incoming resources comprise investment income, in the form of dividend income, and interest on the bank balances held by the Investment Manager.

Expenditure relating to Endowment Funds is the distribution made to the University, at a rate approved by the Trustees, currently 4.5% per annum, proportion of other costs.

If the Endowment is restricted to a particular post within the University and that post is vacant the University does not receive a distribution until the post is filled. The distribution during the vacant period is capitalised i.e. used to purchase an equivalent portion of units for the particular endowment.

Endowment funds are categorised as either **Permanent** or **Expendable**:

(i) **Permanent** - Funds from which only unapplied total return can be spent.

(ii) **Expendable** - Funds which can be spent entirely, but only with the approval of the Trustees.

1(h) Fixed Asset Investments

Fixed asset investments are shown in the financial statements at their market value at the balance sheet date. The resulting unrealised surplus or deficit is credited or debited to the fund account through the movement of the funds in the Statement of Financial Activities.

The AIL Adept Funds are valued at net asset value at the accounting date.

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Trustees have not received, and are not entitled to receive remuneration for their services (2021: £nil). No Trustees have reclaimed any expenses in the period (2021: £nil). The ultimate controlling party of the Trust is considered to be the Trustees. There are no related party transactions.

3. DONATIONS AND LEGACIES

Income from donations and legacies in the year amounted to £0.730m (2021: £0.124m). The donations in the year was an additional contribution from the Alice Stephenson Bequest for Cancer Research Endowment Fund.

4. INVESTMENT INCOME

	2022 £'000	2021 £'000
Bank interest	19	6

There is no direct investments income in 2022 relating to the Trust investments with Aon as these funds are accumulating income funds. The majority of the income relates to interest attributed to the Trust from cash investments on the Flagstone platform.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022	2021
	£'000	£'000
Income Funds		
Grants from Newcastle University	610	971
Expenditure Funds		
Distribution to University in the Year *	1,574	1,350
Accelerated salary payments	2,107	1,136
Kirkby Endowment contribution to the Farrell Centre	677	-
Contribution to Library periodicals	-	1,303
Contribution to Student Fund	100	-
Total Expenditure Funds	4,458	3,789
Total charitable expenditure in the year	5,068	4,760

*The sole beneficiary of all charitable expenditure is Newcastle University

Calculation of the distribution in the year		2022	2021
		£'000	£'000
Market Value of endowments as at 1 Aug		60,019	50,992
Distribution 4.5% of 1 Apr Market value of endowments (a)	(i)	2,701	2,295
Distribution to Newcastle University funded by endowments in the year (b)	(ii)	1,575	1,350
Transfer to Income Funds (c)	(iii)	938	891
Retained in Endowment Funds (d)	(iv)	188	54
		2,701	2,295
The total distribution in the year is 4.5% the opening market value (1st April) of the value of endowments (i). A portion of this is paid directly to the University (ii). For Endowment Funds with Income Funds the distribution is held in the Income Fund bank account until a request is made for the funds (iii). Also, some funds may be retained in the endowment fund if there is a vacant post or it is unlikely that the funds will be needed in the year (iv)			

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

6. OTHER EXPENDITURE

Investment Management Costs

The investment fees for ALL are deducted directly from the investment funds, these are the sole investment charges.

Analysis of Governance Costs

	2022	2021
	£'000	£'000
Wages and salaries	-	13
Social security costs	-	1
Office costs	25	20
Audit Fees	14	15
Legal Fees	2	2
Bank Charges	9	-
Other	8	-
	58	51

There were no direct employees in the year (2021: 1) so there were no remuneration costs (2021 £0.014m). So no employee received £60,000 per annum or above during the period (2021 £nil) and no provision therefore is needed for holiday pay accrual (2021 £nil).

Office costs include a recharge from the University £0.025m (2021: £0.019) for support services provided by Newcastle University finance and administrative staff. This includes a charge for trust management services provides by Newcastle University Advancement Office. All recharges and office costs have been allocated to governance costs. None of the costs have been allocated to charitable activities as the role of fundraising has been assigned to the costs have been Advancement Office of the University.

7. TRANSFERS

	2022	2021
	£'000	£'000
Distribution allocation transfer from Endowment Funds to Income Funds	938	891
Additional transfer from endowment capital: Wilson Campbell Endowment	14	10
Additional transfer from endowment capital: Charles Letts Endowment	9	-
Transfer from Endowment to Restricted Funds in the year	961	901

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

8. INVESTMENTS

	2022	2021
	£'000	£'000
Market value at start of year - 1 April	56,178	49,539
Additions	19,900	7,110
Disposals	(922)	(30,484)
Investment gains / (losses)	3,733	13,640
Market value at end of year - 31 March	78,889	39,805
Movement in Investment Managers' Capital Accounts (cash)	(18,978)	16,373
Total Investments at end of year 31 March	59,911	56,178
Historical cost of quoted investments	56,453	55,372

The Trustees believe that the carrying value of the investments is supported by the underlying net assets of the individual funds. The substantial decrease in in the Investment Managers' Capital Account (cash) 2022 £18.978m (2021 an increase of £16.373m) is due to the cash in transit at 31 March 2021 when we switched Adept UK equity funds.

Investment Asset Allocation

	2022	2022	Control	2021	2021
	£'000	%	Ranges	£'000	%
Adept 30/26 - Global Equities (excl. tobacco)	42,776	71%	65%-75%	36,922	66%
Adept 27 - UK equities	12,221			-	
Adept 31 - Diversified alternatives strategy	4,617	28%	25%-35%	-	0%
Cash & Equivalent : UK	297	1%	0-10%	19,256	34%
	59,911	100%		56,178	100%

On 31 March 2021 the Adept 24 fund was dissolved and associated cash in transit (£19m) at 1 April 2021 was dispersed between the Adept 27 -UK equity fund (£11m) and the Adept 31 fund (£5m) which is a diversified alternatives strategy fund and a further amount (£3m) to the Adept 30, which holds

9. DEBTORS

	2022	2021
	£'000	£'000
Donation receivable	530	-
Investment income receivable	-	11
	530	11

The donation receivable is the estimated residual due from the Alice Stephenson bequest for Cancer Research 2021 £nil. The Investment income receivable in 2022 is £nil (2021: £0.0011m) due in 2021 from the Flagstone platform held with CAF bank which was closed on 31 March 2022.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Auditors	11	13
Newcastle University	1,489	808
	1,500	821

The amount owed to Newcastle University, £1.489m (2021: £0.808m) comprises the final distribution for the year of 2022: £0.736m (2021: £0.670m), £0.677m (£2021:£nil) contribution due from Florence Kirby Bequest to part fund capital works relating to the Farrell Centre at Newcastle University, a provision of £0.050m has been made relating to a contribution promised to Newcastle University Student Fund (2021: £nil), the recharge invoice for management and administration services provided by Newcastle University due at the year end is £0.026m (2021: £0.032). There was an adjustment made for £0.038m that relating to the Chinese Lectureship and deducted from the final distribution. In 2021 there was also a provision for £0.106m due to Newcastle University Library from the Marjorie Robinson Library Fund, there is no equivalent for 2022.

11. THE FUNDS OF THE CHARITY

	Note	2022	2021
		£'000	£'000
Income Funds:			
Opening balance as at 1 April		1,174	1,242
Incoming funds		0	2
Expenditure		(610)	(971)
Net transfers to restricted funds		961	901
Total Income Funds at 31 March	14	1,525	1,174
Endowment Funds:			
Opening balance as at 1 April		60,020	50,994
Donations and gifts		731	124
Investment income		19	4
Expenditure		(4,516)	(3,841)
Net transfers to restricted funds		(961)	(901)
Investment gains/(losses)		3,733	13,640
Total Endowment Funds at 31 March	15	59,026	60,020
Total Funds of the Charity		60,551	61,194

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2022 are represented by:

Outstanding transfer between funds

Investments

Debtors

Cash

Current liabilities

	Income Funds		Endowment	Total
	Unrestricted	Restricted	Funds	2022
	£'000	£'000	£'000	£'000
	-	-	-	-
	-	-	59,911	59,911
	-	-	530	530
	5	1,520	85	1,610
	-	-	(1,500)	(1,500)
	5	1,520	59,026	60,551

13 TAXATION

The charity is a registered charity and as such is entitled to certain tax exemptions on income and gains from investments and all non-trading income is exempt from taxation.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

14. INCOME FUNDS

RESTRICTED FUNDS	1 April 2021	Movement in Incoming Resources	Transfer from Endowment	Expenditure	31 March 2022
	£'000	£'000	£'000	£'000	£'000
Korean Studies	30	-	14	-	44
Dr W E Harker Foundation	162	-	45	-	207
Kritchman Scholarships	2	-	1	-	3
Student Exploration (Travel Awards)	8	-	4	-	12
Barton De Loach	5	-	2	(1)	6
Jeffreys	2	-	1	-	3
Konishi	57	-	14	(9)	62
Randerson Foundation	103	-	36	-	139
William Benedict Coleman Scholarships	9	-	31	(24)	16
Wilson Campbell Memorial Appeal	2	-	16	-	18
Henry Miller Memorial Appeal Fund	42	-	-	(18)	24
Sophia Lecture	9	-	2	-	11
Brian J Lewis Prize	2	-	1	-	3
Charles Letts Memorial Fund	6	-	20	(12)	14
James Skillington Memorial Fund	2	-	1	-	3
Charles Bosanquet Memorial Appeal	17	-	4	-	21
Swales Bequest	29	-	12	(15)	26
Mac Cooper Appeal	30	-	5	(32)	3
Robinson Library	71	-	37	(20)	88
Kummerman/Fisher Fund	4	-	4	-	8
Marjorie Robinson Bequest	186	-	567	(406)	347
Continued overleaf	778	-	817	(537)	1,058

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

14. INCOME FUNDS (continued)

RESTRICTED FUNDS	1 April 2021	Movement in Incoming Resources	Transfer from Endowment	Expenditure	31 March 2022
	£'000	£'000	£'000	£'000	£'000
<i>Continued from previous page</i>	778	-	817	(537)	1,058
Jack Jeffery Fund	5	-	1	-	6
Elsie Jeffery Bursary	4	-	2	(2)	4
Museum Conservation Fund	9	-	4	-	13
The Vesuvius plc Partners Bursary Fund	15	-	7	(6)	16
EM Henderson Bequest	4	-	2	-	6
Duke of Northumberland Memorial Appeal	87	-	-	-	87
Organ Scholarship	4	-	-	-	4
Bremner Smith Bequest	34	-	-	(20)	14
Alice Stephenson Bequest (Cancer Research)	86	-	31	-	117
Florence Kirby Estate	49	-	38	-	87
Foxcroft Estate	94	-	59	(45)	108
RESTRICTED FUNDS	1,169	-	961	(610)	1,520
UNRESTRICTED FUNDS	5	-	-	-	5
TOTAL INCOME FUNDS	1,174	-	961	(610)	1,525

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS

PERMANENT	1 April 2021	Donations and Gifts	Investment Income	Transfer to Rest'd Funds	Expenditure	Gains on Investments	31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Action Medical Research Chair of Neuromuscular Disease	1,922	-	-	-	(106)	114	1,930
Tyne and Wear Chair of Environmental Control Engineering	998	-	-	-	(126)	58	930
Readership in Microelectronics	577	-	-	-	(98)	32	511
William Leech fund for Biomedical Science	791	-	-	-	(60)	49	780
Lectureship in Rheumatology	1,053	-	-	-	(92)	66	1,027
NCKRF Nephrology (1)	787	-	-	-	(88)	47	746
NCKRF Nephrology (2)	781	-	-	-	(90)	46	737
William Leech/McQueen Fund Neuromuscular Disease	827	-	-	-	(124)	47	750
NECCR Clinical Paediatric Oncology	2,558	-	1	-	(142)	173	2,590
NCKRF Transplant Immunology	821	-	-	-	(120)	47	748
William Leech/Green Fund for Renal Transplantation	978	-	-	-	(94)	61	945
NCKRF Nephrology (3P)	334	-	-	-	(106)	13	241
Korean Studies	307	-	-	(14)	-	20	313
Jeffcock Medical Research Fund	306	-	-	-	(15)	20	311
Haswell Ellis Music Fellowship	75	-	-	-	(29)	3	49
Dr WE Harker Foundation	1,950	-	3	(45)	(52)	128	1,984
Kritchman Scholarships	19	-	-	(1)	-	1	19
Boon Research Fund	44	-	-	-	(2)	3	45
Student Exploration Appeal	98	-	-	(4)	-	6	100
Barton De Loach Bequest	47	-	-	(2)	-	3	48
Jeffreys Fund	14	-	-	(1)	-	1	14
Chinese Lectureship	66	-	-	-	(16)	-	50
Konishi Foundation Fellowship in East Asian Studies	321	-	-	(14)	-	20	327
Randerson Foundation	1,770	-	-	(36)	(52)	102	1,784
TOTAL PERMANENT FUNDS	17,444	-	4	(117)	(1,412)	1,060	16,979

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2021	Donations and Gifts	Net Investment Income	Transfer to Restricted Funds	Expenditure	Gains on Investments	31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jacobson Chair of Personalised Medicine	1,167	-	-	-	(143)	70	1,094
Chair of Energy Studies	1,153	-	-	-	(91)	73	1,135
Chair of Engineering Materials	235	-	-	-	(110)	11	136
Henry Daysh Chair of Regional Development Studies	1,087	-	-	-	(103)	65	1,049
Chair of Ocean Engineering	1,331	-	-	-	(96)	84	1,319
Chair of Industrial Management	960	-	-	-	(98)	60	922
Chair of Occupational Health	982	-	-	-	(94)	62	950
Sir James Woodeson Chair of Manufacturing Eng.	1,127	-	-	-	(103)	71	1,095
Roland Cookson Chair of Composite Materials Eng.	1,892	-	-	-	(110)	120	1,902
William Leech Fund for Primary Care	1,545	-	-	-	(156)	97	1,486
Readership in Marine Transport	690	-	-	-	(121)	40	609
William Leech Fund for Ageing and Chronic Disease	1,132	-	-	-	(167)	69	1,034
William Leech Fund for Bioengineering	864	-	-	-	(93)	54	825
William Leech Fund for Neuroscience	825	-	-	-	(70)	52	807
William Leech Fund for Musculoskeletal Disorders	762	-	-	-	(124)	45	683
Senior Lectureship in Pathology (Upgrading)	482	-	-	-	(23)	30	489
NECCR Non-Clinical Paediatric Oncology	1,780	-	-	-	(137)	107	1,750
Lectureship in Haematology	773	-	-	-	(68)	48	753
William Leech Fund for Immunology and inflammation	696	-	-	-	(100)	41	637
NCKRF Nephrology (3E)	360	-	-	-	(40)	25	345
<i>continued overleaf</i>	19,843	-	-	-	(2,047)	1,224	19,020

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2021	Donations and Gifts	Investment Income	Transfer to Rest'd Funds	Expenditure	Gains on Investments	31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Continued from previous page</i>	19,843	-	-	-	(2,047)	1,224	19,020
Duke of Northumberland Appeal	2,368	-	1	-	(139)	152	2,382
Research Technician in Haematology	313	-	-	-	(14)	19	318
The Vesuvius plc Partners Bursary Fund	152	-	-	(7)	-	10	155
Siemens Chair in Microelectronics	392	-	-	-	(135)	21	278
William Benedict Coleman Scholarships	667	-	-	(31)	(1)	43	678
Dina Atter Research Fund	278	-	-	-	-	17	295
Wilson Campbell Memorial Appeal	40	-	-	(16)	-	2	26
Dr Henry Miller Memorial Appeal	277	-	-	-	(12)	17	282
Sophia Lecture	46	-	-	(2)	-	3	47
Museum Conservation Fund	89	-	-	(4)	-	6	91
Studentships in Medicine	120	-	-	-	(6)	8	122
Haswell Music Fellowship	54	-	-	-	(55)	2	1
Brian J Lewis Prize Fund	15	-	-	(1)	-	1	15
Charles Letts Memorial Appeal	197	-	-	(20)	-	15	192
James Skillington Memorial Fund	19	-	-	(1)	-	2	20
Charles Bosanquet Memorial Appeal	89	-	-	(4)	-	6	91
Swales Bequest	225	-	-	(12)	-	17	230
Mac Cooper Appeal	107	-	-	(5)	-	7	109
Robinson Library Fund	793	-	-	(37)	(1)	51	806
Kummerman/Fisher Fund	91	-	-	(4)	-	6	93
<i>continued overleaf</i>	26,175	-	1	(144)	(2,410)	1,629	25,251

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE (continued)	1 April 2021 £'000	Donations and Gifts £'000	Net Investment £'000	Transfer to Restricted £'000	Expenditure £'000	Gains on Investments £'000	31 March 2022 £'000
<i>Continued from previous page</i>	26,175	-	1	(144)	(2,410)	1,629	25,251
Marjorie Robinson Bequest	10,691	-	12	(567)	(14)	782	10,904
Jack Jeffery IRES Outreach Fund	19	-	-	(1)	-	1	19
Elsie Jeffery Bursary	37	-	-	(2)	-	2	37
EM Henderson Bequest	43	-	-	(2)	-	3	44
Dunlevy Fund	10	-	-	-	-	1	11
Alice Stephenson Bequest (Cancer Research)	960	730	1	(31)	(1)	43	1,702
Florence Kirby Estate	1,760	-	-	(40)	(677)	53	1,096
Foxcroft Estate	2,881	1	1	(57)	(2)	159	2,983
TOTAL EXPENDABLE FUNDS	42,576	731	15	(844)	(3,104)	2,673	42,047
TOTAL ENDOWMENTS FUNDS	60,020	731	19	(961)	(4,516)	3,733	59,026

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

16. UNAPPLIED TOTAL RETURNS ON PERMANENT ENDOWMENT ACCOUNTS

	Unapplied Return at 1 April 2021	Total Return in Year	Allocated to Income in Year	Unapplied Return at 31 March 2022	Base Value	Total of Unapplied Return and Base Value at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Action Medical Research Chair of Neuromuscular Disease	1,722	114	(106)	1,730	200	1,930
Chair of Environmental Control Engineering	864	58	(126)	796	134	930
Readership in Microelectronics	386	32	(98)	320	191	511
William Leech fund for Biomedical Science	666	49	(60)	655	125	780
Lectureship in Rheumatology	898	66	(92)	872	155	1,027
NCKRF Nephrology (1)	657	47	(88)	616	130	746
NCKRF Nephrology (2)	601	46	(90)	557	180	737
William Leech/McQueen Fund for Neuromuscular Disease	665	47	(124)	588	162	750
NECCR Clinical Paediatric Oncology	1,654	174	(142)	1,686	904	2,590
NCKRF Transplant Immunology	606	47	(120)	533	215	748
William Leech/Green Fund for Renal Transplantation	798	61	(94)	765	180	945
NCKRF Nephrology (3P)	289	13	(106)	196	45	241
Korean Studies	230	20	(14)	236	77	313
Jeffcock Medical Research Fund	271	20	(15)	276	35	311
Haswell Ellis Music Fellowship	34	3	(29)	8	41	49
Dr WE Harker Foundation	1,215	131	(97)	1,249	735	1,984
Kritchman Scholarships	12	1	(1)	12	7	19
Boon Research Fund	24	3	(2)	25	20	45
Student Exploration Appeal	42	6	(4)	44	56	100
Barton De Loach Bequest	21	3	(2)	22	26	48
Jeffreys Fund	6	1	(1)	6	8	14
Chinese Lectureship	16	-	(16)	-	50	50
Konishi Foundation Fellowship in East Asian Studies	171	20	(14)	177	150	327
Randerson Foundation	640	102	(88)	654	1,130	1,784
Total Unapplied Return and Valuation as at 31/3/2022	12,488	1,064	(1,529)	12,023	4,956	16,979

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee report and accounts for the year ended 31 March 2022

NOTES TO THE ACCOUNTS

17. RECONCILIATION OF THE NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

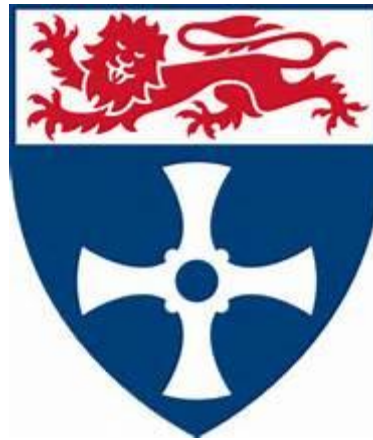
	2022	2021
	£'000	£'000
Net (expenditure)/income for the year	(643)	8,958
(Gain) on investments	(3,733)	(13,640)
Investment income	(19)	(6)
(Increase)/Decrease in debtors (excluding investment income receivable)	(519)	2,394
Increase in creditors	679	35
Net cash (used in) operating activities	(4,235)	(2,259)

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	At 1 April	Cashflow	At 31 March
	2021		2022
	£'000	£'000	£'000
Cash at bank	4,141	(2,531)	1,610
Debt	-	-	-
Closing net funds	4,141	(2,531)	1,610

Accounts

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST
and other related charities



TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Charity Commission No: 528066

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

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THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report along with the audited accounts of the Trust for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE INFORMATION

Status	The University of Newcastle upon Tyne Development Trust is a Charity registered with the Charity Commission (No. 528066)
Address	Finance & Planning Newcastle University King's Gate Newcastle upon Tyne NE1 7RU
Trustees	The Trustees of the Charity in office at the date of the approval of the financial statements were: Mrs HA Parker (Chair) Professor D Burn* Mr W Connolly * Professor CP Day (Vice Chancellor) Mrs VS Johnston * Mr DG Jennings (Honorary Treasurer) Mr N Swales * Appointed by the Council of Newcastle University
Trust Manager	Ms FJ Watson

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Independent Auditors	Ernst & Young LLP Atria One, 144 Morrison Street, Edinburgh EH3 8EX	Solicitors	Wrigleys Rotterdam House 116 Quayside Newcastle upon Tyne NE1 3DY
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Charity Deposit Platform	Flagstone Investment Management 1st Floor Clareville House 26-27 Oxendon Street London SW1Y 4EL
Investment Managers	Aon Investments Limited The Aon Centre The Leadenhall Building 122 Leadenhall Street London, EC3V 4AN	Investment Custodians	The Bank of New York Mellon One Canada Square London E14 5AL

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust was established for the benefit of the University of Newcastle upon Tyne and is governed by a Deed dated 10 May 1972.

Appointment of Trustees

The Trust Deed allows for a minimum of six and a maximum of twelve Trustees. The Trustees, who were in post at 31 March 2021 and at the date of this report are set out on page 3. Mr S Dobson retired as a Trustee on 30 June 2020 and Mr PV Woods retired as a Trustee on 18 March 2021. Mr DG Jennings was appointed as a Trustee on 1 October 2020 and became Honorary Treasurer on the retirement of Mr PV Woods. The Vice-Chancellor of the University is an ex-officio Trustee. The Council of the University appoints up to four of the total number of Trustees, excluding the Vice-Chancellor, and at the date of this report three of these posts were filled. The remaining non ex-officio Trustees are recruited from individuals recommended by the existing Trustees. No Trustees, whether ex-officio or non-ex-officio, receive benefits from the Trust in their capacity as Trustees other than occasional out of pocket expenses. Under the Trust Deed, Trustees may serve two consecutive three-year terms of office. They can be nominated to serve further terms but only after one year has elapsed from the date of the termination of their previous appointment. Mrs HA Parker and Prof D Burn are currently serving their second consecutive term of office.

Trustee induction and training

On appointment, new Trustees receive an induction pack and are offered the opportunity to attend relevant courses. The induction pack contains, inter alia, copies of: the Trust Deed, the Trustee Act 2000 Policy Statement, the Trust Risk Register, the last two sets of the Trustees' Report and Accounts, minutes of recent Trustee meetings and Sub-Committee meetings, and the Charity Commission booklet "The Essential Trustee". During their term of office Trustees are encouraged to attend courses and conferences appropriate to their roles.

Organisational structure and decision making

Trustees' Meetings are held twice each year and at such other times as the administrative requirements of the Trust dictate. An Investment Sub-Committee holds meetings at least twice each year with the Investment Manager and there were five meetings during the year ended 31 March 2021. The Sub-Committee is chaired by the Honorary Treasurer (Mr PV Woods and subsequently Mr DG Jennings). Mrs HA Parker and Mr N Swales are also Trustee members and Mr S Dobson was a member until his retirement on 30 June 2020. The meetings are attended by the Trust Manager and the University Executive Director of Finance. The Sub-Committee reports to the full Board of Trustees twice each year. The Trustees form additional sub-committees in cases where the administration of endowments warrants them and such committees all report to the full Board of Trustees.

There are currently sub-committees involved in the administration of the WE Harker Foundation, the Randerson Foundation, the Robinson Library and Marjorie Robinson Bequest Funds. The award of studentships from the Harker and Randerson Foundations is carried out by the University Faculty of Medical Sciences Post Graduate Research Committee and Ms FJ Watson attended their meeting in January 2021 to represent the Trust. The Robinson Library/Marjorie

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Organisational structure and decision making (continued)

Robinson Bequest Sub-Committee was chaired by Mrs HA Parker during the year, with Mr PV Woods and Mr DG Jennings also Trustee members. Ms JN Catterall was the Trust Manager until her retirement in October 2020, at which time Ms FJ Watson assumed the role. The Trust Manager is employed on a part-time basis. The Trust's accounts are prepared by the University's Finance Office and the Trust Manager.

Related party

The Trust is a registered charity, independent of the University. The Trust holds funds received from donors for the benefit of the University, but only distributes these funds to the University after checking compliance with the donors' wishes.

Risk Management

The Trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The Trustees consider poor performance and variability of investment returns on the endowments to constitute the Trust's primary financial risk, compared to our target long term real rate of return of 4.5% p.a. The extreme volatility in world stock markets in recent years has demonstrated this risk. In March 2021 the Trustees agreed to take action to change its fund management arrangements in order to enhance its investment in funds demonstrating Environmental, Social and Governance credentials; whilst mitigating its exposure to the equities market by investing in two alternative diversifier strategies. Details of these transactions are listed below in the Financial Performance section. The funds continue to be managed by Aon Solutions UK Limited (formerly HRMSL and Aon Investment Limited) during the year of account, with scrutiny and oversight of their performance being undertaken by the Investment Sub-Committee.

In addition, the endowments are managed on a total return basis, as explained in the section headed 'Financial Review: Investment Policy and Objectives'. The Trustees consider the use of the total return approach stabilises the resources available for making grants to the University.

The Trustees considered the main operational risk to be associated with the transfer of the administration of the Trust, following the planned departure of the very experienced and knowledgeable Trust Manager, who is the sole employee of the Trust. To manage this risk a detailed Procedures Manual was prepared, members of the University Finance Department were involved in certain aspects of the Trust administration and accounts preparation, and an extensive and thorough handover was facilitated between the outgoing and incoming Trust Managers. The Trustees review these risks and other subsidiary risks identified in the Risk Register on an ongoing basis and satisfy themselves that adequate systems and procedures are in place.

OBJECTIVES AND ACTIVITIES

Public Benefit

Following the introduction of provisions regarding public benefit in the Charities Act 2011, the Trustees have reviewed the objectives and activities of the Trust in

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Public Benefit (continued)

the context of the published guidance on public benefit produced by the Charity Commission. The Trustees consider that the objectives and activities of the Trust comply with this guidance and that, specifically, they support the University in the advancement of education and medical research for the public benefit.

Objects

The Trust was established to raise, receive and administer funds for the benefit of the University. The objects of the Trust remain as defined in the original Trust Deed: "such purposes as are exclusively charitable according to the Law of England and Wales and are deemed to further the work of the University."

The role of fundraising was assigned to the University Development and Alumni Relations Council on its creation in 2003. With the growth of the University Development Office, now called the Advancement Office, and the dissolution of the Development and Alumni Relations Council, fundraising is now led by the Advancement Team. As provided in the Trust Deed, all funds are held solely for the benefit of the University. Grants are not made to any other individuals, organisations or charities.

Aims

The long term aims of the Trust are:

- To receive and invest donations to support the goals of the University and to distribute the funds to the University, within the context of the wishes of the donors and in accordance with Charity Law.
- To maximise the benefit derived from those donations received, through the effective and efficient management and investment of funds.

Main objectives for the period

The Trust's main objectives for the year ended 31 March 2021 were as follows:

- To implement the strategy determined by the Trustees following their Strategy Review meeting in September 2019 and subsequent Trustees' meeting in January 2020. This particularly focusses on increasing levels of distributions from the Trust to the University.
- To work with the University to identify where the Trust can provide additional financial support to ease the impact of Covid 19 on the University's resources for the 2020/21 academic year. In particular, the Trustees will consider the application of previously unapplied total return from the Trust's permanent endowments.
- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets as a result of the Covid 19 pandemic.
- To continue with the review of individual Endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To continue with the implementation of the recommendations from the Governance Review so that the Trustees can better demonstrate that the Trust is meeting the Charity Commission's requirements.
- To recruit at least two new Trustees.
- To appoint a replacement Trust Manager to ensure the continuity of the administration of the Trust.

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Strategy to deliver objectives

- Work with the University to determine the best focus for increased distribution
- Request a proposal from the University for additional support for the 2020/2021 academic year, for areas impacted by the Covid 19 pandemic.
- Review with the Investment Manager, at the six monthly Investment Sub-Committee meetings, the investment performance of the Endowment Funds and report the discussions to the full Trustees' meetings.
- The Investment Sub-Committee to consider the use of CPI and decide whether to make a proposal to the full Board to amend the target return.
- The Investment Sub-Committee to consider alternative methods of calculating distributions in the light of the outcome of the Trustees' strategy review.
- Continue discussions with the University, donors and the Charity Commission to update endowment names and objects where necessary.
- The Governance Sub-Committee to progress the implementation of the recommendations arising from the Governance Review.

ACHIEVEMENTS AND PERFORMANCE

- The Trust's funds have been invested to achieve a level of total return which has enabled the Trust to maintain the distribution rate of 4.5% of Fund value at the beginning of the year to the University, as well as to maintain the value of the Fund in real terms.
- The total value of the Trust's charitable funds increased during the year by £8.958m from £52.236m to £61.194m. This change included costs of £0.051m (2020: £0.058m); distribution payments of £4.761m (2020: £2.174m) to the University; and new donations of £0.124m (2020: £4.257m). This compared with a decrease in total charity funds of £4,660m in the previous year. The significant change in the year was due to a large increase in the value of invested funds, from £49.538m to £56.178m. This capital movement of £6.639m was net of an investment gain of £13.640m and funds withdrawal of £7.001m.
- The stated objective of the Fund was to maintain the value of the funds in real terms and seek to outperform the composite benchmark by 1% or more. Further details are set out in the Financial Review section below.
- Funds have been distributed to the University twice during the period, in accordance with the donors' wishes.
- The Trustees encourage feedback from beneficiaries. The Trustees received a number of letters and reports from students who have received scholarships or bursaries from the Trust, all of which were very appreciative. Extracts from a few of these are included here:

"I would like to emphasise how grateful I am to be awarded this scholarship. The money I have been given has made a huge difference to me. I was able to buy the educational resources I needed for my course such as textbooks. I also bought a bicycle which has enabled me to travel to the university and also to explore Newcastle in my spare time. During the lockdown I was able to cycle to some nearby nature reserves and parks which helped me to get through in a positive way. Without the additional income that the scholarship provided me with over the past year I would not have been able to afford to buy these things. Because of the extra income I did not need to work during stressful examination periods which enabled me to get better results."

Charles Letts Scholar, studying Biomedical Sciences

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ACHIEVEMENTS AND PERFORMANCE (continued)

"This bursary really helps ease my parents' financial burden. And due to current situation, it is difficult for me to find a part time job so the bursary also helps me fully concentrate on my studies. It is a great encouragement that inspires me to keep working hard and moving forward. Besides, it also means a gentle reminder to me that there are always someone standing behind me, uplifting me, and supporting me. It really helps me stay positive especially in this difficult time." **Bursary recipient, studying Music**

- Following the Trustees' Strategy Day in 2019, and discussion at the Trustees' Meeting in January 2020, it was agreed that the Trust would fund 100% of the cost of posts supported by the Trust over the next 3 to 5 years, starting in 2020/2021.
- Despite the 31 March 2020 valuation being abnormally low, the Trustees worked with the University to achieve a higher level of distribution to support the University and accelerate the delivery of benefits from use of the charitable funds in line with the objectives of the donors. This included additional support for the Robinson Library (£1.3m with a further £0.5m pledged for 2021/2022) and the pledged funds to create a fund to support Postgraduate Research Students who needed to extend their time at the University as a result of the Covid 19 pandemic.
- In last year's accounts the need to recognise the potential for volatility was highlighted. The adverse impact of the Coronavirus pandemic on the world's economy resulted in a significant reduction in the value of the Trust's investments as at 31 March 2020. Since then the value of our investment funds has recovered to significantly above the drop caused by the impact of Covid 19. It is likely that volatility will continue as the economies around the world seek to recover from the impact of the pandemic and markets react to new economic information.
- The implementation of the recommendations from the Governance Review has continued during the year, including amongst other matters, the completion of the Trustees' Skills audit.

FINANCIAL REVIEW

Introduction and Principal Funding Sources

As background, all the funds held by the Trust are applied for specific purposes in connection with the University's work. Accordingly, it is the Trustees' aim to invest these funds to maximise the total return (capital and income) from the funds, in accordance with prudent investment principles. This maximises the payments that can be made to the University whilst aiming to preserve the real value of the funds. Thus, the principal funding sources for the Trust are investment income and realised and unrealised gains and losses on investments. During the year there was no direct investment income received in respect of funds held with the Aon Adept Funds, as income from these funds is accumulated.

In addition, the Trust receives donations and gifts which are designated for particular University purposes. As previously indicated, however, the Trust is not engaged in fundraising and so has no direct control over the level of donations and gifts received. Legacies received in the year were as follows:

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Introduction and Principal Funding Sources (continued)

- In December 2020, the Trust received a further contribution of £0.100m to the Alice Stephenson Bequest for Cancer Research from Mrs Stephenson's estate, bringing the total received so far to £0.944m.
- In March 2021, the Trust received a further contribution of £0.0075m from the residuary estate of Miss Florence Mary Kirkby for the Thomas and Mary Kirkby Fund, in memory of her parents, to benefit such students and such disciplines at the University of Newcastle upon Tyne at the Vice-Chancellor's discretion. Bringing the total received so far to £1.6165m.
- The Trust was notified in March 2019 that it was the residuary beneficiary of the estate of Mrs Jean Foxcroft. The residuary estate was estimated at £1.5m and the funds were to be used to establish a fund, in memory of her late husband Sydney Foxcroft, to benefit teaching and research into heart disease and/or cancer, as determined by the Dean of Medicine at the University of Newcastle upon Tyne. £2.398m was received in May 2020 and was accrued in the 2019/2020 accounts. A further £0.016m was received in November 2020 bringing the total received to £2.414m. A proposal was made to fund new senior clinical academic posts, for 3 years, in congenital heart disease, Liver cancer, and Cancer trials particularly in the older person.

Nature of the funds held

All but one of the funds have been given by donors for specific "ring-fenced" purposes and are typically utilised to support the salary costs of individual posts such as Chairs and Lectureships and also to support student-related scholarships and awards in various academic Schools within the University. The largest Fund, the Marjorie Robinson Bequest, was given for the benefit of the Library. Funds have usually been received in response to specific appeals, or in the form of bequests for the benefit of particular aspects of the University's teaching or research.

There were 106 Funds held at 31 March 2021 which were categorised as follows:

Permanent Endowment	24
Expendable Endowment	48
Restricted Income WITH Endowment	31
Restricted Income NO Endowment	2
Unrestricted	1
	106

It can be seen that, similar to the Endowments, all but one of the Income Funds are Restricted, i.e. donors have given directions as to how the monies are to be spent. In the case of Restricted Income Funds which are linked to Endowments the Trustees do not seek to hold reserves but rather to hold income in a designated fund until detailed spending proposals have been received in order to be sure that expenditure fully complies with the terms of the Endowment. In the case of Restricted Income Funds which are not linked to an Endowment 2021: £0.038m (2020: £0.069m), monies have been received for expenditure over the short-term so have not been invested within the Trust's Endowment portfolio. The Trustees keep all Funds under review, receiving detailed reports twice each year, and take such action as is necessary to ensure that donors' conditions continue to be met.

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Results for the period

Following a large decrease in the value of the Trust's investment funds in 2020 of £7.078m, the value of equities improved significantly in 2021 as governments across the world addressed the financial fall out of Covid 19 resulting in a substantial investment gain of £13.640m. However, this is in the context of uncertainty in global economies and financial markets.

The Trust's investment portfolio delivered a considerable return of 28.5% in the year (2020: -11.9%) net of fees deducted in the period. This was 4.3% better than the composite benchmark return of 24.2% and 3.3% better than the target return, to outperform the composite benchmark by 1% or more. During the financial year 2020/21 the investment funds were held in two main funds, with any uninvested funds held in a cash account. The primary investment was in a Global Equities Fund (Adept 26), with the remainder in a Diversified Absolute Return Fund (Adept 24).

However, as disclosed in last year's Annual Report, Trustees have been concerned for the past year about the relative underperformance of funds compared to our investment return target and compared to investment benchmarks. This risk is reflected in our risk register (see above) and was the subject of ongoing discussion with our Investment Managers, Aon Solutions UK Limited. As a result, we chose to change our spread of funds, with the initial changes (sales of fund units / purchase of new units) occurring between 31st March 2021 and 21st April 2021. The performance of Aon Solutions UK Limited was scrutinised by the Investment Sub-Committee during the year.

The year-end value of the funds is shown below together with their performance (net of fees) compared with their benchmark. The investment in new funds, completed in the subsequent financial year 2021/22, is shown further below for completeness.

Funds' Performance 2020/21

	Value 1.4.2020	Value 31.3.2021	% Holding at Year end	Change In year (includes redemption)	Absolute gain in the year	% Return (net of fees)	% Benchmark Return	Variation from Target Return*
	£m	£m	%	£m	£m	%	%	%
Adept 24: Absolute Diversified return	16.162	19.123	34.0	+2.961	0.950	+5.2	+3.0	+1.2
Adept 26: Global Equities	30.495	36.922	65.7	+6.427	12.688	+43.1	+38.4	+3.7
Cash	2.882	0.132	0.3	-2.750				
TOTAL	49.539	56.177	100	+6.638	+13.638	+28.5	+24.2	+3.3
<i>* being 1% above benchmark</i>								

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Results for the period (Continued)

Following significant falls in 2019/20, both funds showed noteworthy performances in 2020/21, achieving positive growth and outperforming the investment objective / target return by a good margin.

The Investment Sub-Committee, with Aon Solutions UK Limited, reviewed its investment options during 2020/21 and decided to both reinvest sums in the Global Equities Fund into a Global Impact Strategy Fund, emphasising the importance of Environmental, Social and Governance aspects of any Companies invested, whilst maintaining a minimisation of investment in tobacco; and also moving funds from the Absolute Diversified Return Strategy, which had performed poorly and failed to attract a breadth of investors, into two new diversified funds: a Diversified Absolute Returns Strategy, and a Diversified Alternatives Fund, both designed to reduce the Trustees exposure to volatility in the equities market. The trades associated with these changes took place between 31st March 2021 and 21st April 2021, and are summarised in the table below.

Value of Trustee's Aon Investment Holdings pre/post new Fund investment.

Fund	Value £m	Notes
Adept 26	36.922	Sales dates 31/3, 14/4, 20/4
Adept 24	19.123	Sales date 31/3
Cash	0.132	
Previous Total	56.177	
Global Impact Fund	39.869	Purchase dates 31/3, 14/4, 21/4
Diversified Alternatives Fund	5.738	Buy date 21/4/21
Active Diversifiers Strategy	11.190	Buy date 1/4/21
Cash	0.683	
New Total	57.480	
Difference	1.303	Being positive market movement £1.323m less implicit costs of £0.025m plus rebate of management fees

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Funds' Performance 2020/21 (continued)

The Trustees continue to recognise that the long-term objective of the portfolio delivering a real rate of return of 4.5% per annum is more challenging, particularly if RPI is used as a measure of inflation. This is currently under discussion. The measure of inflation is being reviewed including the option of moving to a CPI measure of inflation.

The Trustees agreed to make the distribution to the University at the planned rate of 4.5% in 2020/2021 and the distribution to the University for the year amounted to £2.295m (2020: £2.505m).

As a consequence of the above, and after absorbing the costs of the Trust, Total Funds increased by £8.958m during the year to £61.194m (2020: £52.236m). These are represented by Endowment Funds of £60.020m (compared to £50.993m at the beginning of the period) and Income Funds of £1.174m (compared to £1.242m at the beginning of the period).

Investment Policy and Objectives

Since 1994 the Trust has operated a total return policy (capital and income) for its Endowment Funds. This was formalised by the Charity Commission through a sealed order from 6 August 2003 onwards. The Charity Commission also formalised, through a sealed order, the Trust's pooling scheme from 24 October 2003 onwards. This scheme authorises the Trust to combine its individual Permanent and Expendable Endowment Funds into one pooled fund and, separately, to also combine its Income Funds into one pooled fund. The Charity Commission has also confirmed that the base date for the purpose of calculating the unapplied total return for the Permanent Endowment Funds can be the date on which donations have been received and the accounts have been prepared on this basis. The anticipated long term real rate of return from the Trust's Endowment Funds is 4.5% per annum. The annualised rate of 4.5% is unchanged from last year. The Investment Sub-Committee continues to monitor this rate closely in conjunction with the Investment Manager, in order to balance the needs of both present and future beneficiaries. This is to ensure that annual distributions from Permanent Endowments will not exceed the anticipated long term real rate of return.

This is derived from a combination of the benchmarks for each of the individual Adept Strategy Funds in which the assets are invested. The performance objective agreed with Aon is to outperform the Composite Benchmark by 1% or more per annum over the long term.

Distribution to the University

The total 4.5% distribution due for the year was £2.295m (2020: £2.505m) of which £1.350m (2020: £1.404m) was paid directly to the University as a contribution to salary costs, £0.891m (2020: £0.715m) transferred to the Income Funds pending spending plans being submitted to the Trust and a further £0.0054m (2020: £0.386m) of the distribution was reinvested due to vacant posts in the year or sufficient balances on Income Funds.

Charitable Expenditure

Actual expenditure relating to charitable activities of the endowments is the distribution paid to the University £1.350m (2020 £1.404m) and the accelerated payments agreed in the year of £2.440m (2020 £0.036m). The charitable expenditure of the income funds to the University, following agreement by the Trustees and approval of spending plans, in the year amounted to £0.971m (2020: £0.734m).

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Transfer between Funds

The distribution of £0.891m (2020 £0.715m) passed to the income funds relating to the distribution and an additional capital transfer of £0.010m (2020 £0.027m) from the Charles Letts endowment fund gives the total transfer between endowment funds and income funds of £0.901m (2020 £0.742m) in the year.

Reserves Policy

The Trust has a less well-developed Reserves Policy than many charities because of the “ring-fenced” nature of the majority of Funds it administers. In practice, should the income from a particular Fund prove insufficient to fully meet the costs of the designated area of activity within the University (e.g. the relevant academic salary), the University itself meets that shortfall from its own funds. The Trust holds an “Undesignated” Fund, valued at £0.005m (2020: £0.035m). £0.030 spend from undesignated funds in the year related to expenditure to the University ‘Covid 19 Recovery Fund’.

Going Concern

The Trustees are satisfied that preparation of the financial statements on the going concern basis is appropriate as they have reasonable expectation that the Trust will continue in existence for a period until at least 31 March 2023. This expectation is based on the level of funds held (£61m at 31 March 2021) and the fact that Newcastle University is the sole beneficiary of disbursements from the Trust. The value of Investments at 31 March 2021 was £56.2m and even if this valuation was to fall by 75%, this would reduce the number of years the Trust could make the annual disbursement to Newcastle University to four years, but it would not impact the immediate solvency of the Trust. The Trustees will always have the option to pause the distributions to the University should investments fall significantly and the funds not be available.

Trustee Policy Act Statement

The Trust's Trustee Policy Act Statement, is reviewed and approved annually. It includes detailed statements on:

- The Trust's aim in investing its Endowment Funds
- Balance between capital growth and income generation
- Investment powers and restrictions
- Consideration of risk
- The timing of payments to the University
- Social, environmental and ethical practices
- Review of the Policy Statement.

PLANS FOR FUTURE PERIODS

- To continue to liaise closely with the University as to their potential requirements for support over the short medium and long term with a view to developing a 5 year expenditure plan in conjunction with the Trustees stated aim to increase the annual level of support that the University receives from the Trust.

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PLANS FOR FUTURE PERIODS (continued)

- To continue to monitor closely the performance of the Investment Manager, especially in view of the turbulence in the markets as a result of the Covid 19 pandemic.
- To continue with the review of individual Endowments that support posts and, where appropriate, to explore potential opportunities for realignment with the current needs of the University, through discussions with donors and the Charity Commission.
- To continue with the implementation of the recommendations from the governance review so that the Trustees can better demonstrate that the Trust is meeting the Charity Commission's requirements.
- To recruit at least two new Trustees.

POST BALANCE SHEET EVENTS

The Trustees decided in 2020/21 to review the performance of the funds they have invested in, and the nature of those funds. In part this was to enhance investment return, but also to maximise the Environmental, Social and Governance aspects of any Companies invested in, whilst maintaining a minimisation of investment in tobacco. Trustees also decided to expand the number of funds which seek to reduce the Trustees exposure to volatility in the equities market (from one to two). All this was undertaken with the advice of the Trustees Investment Advisors, Aon Solutions UK Limited. The trades associated with these changes took place between 31st March 2021 and 21st April 2021, and are summarised in the Financial Review section of the Annual Report above.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under the law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of net income or expenditure and application of resources of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation

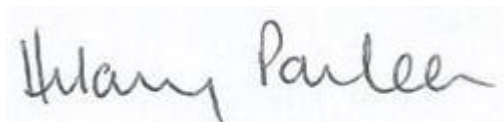
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STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Approved by the Trustees and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'Mary Parker', is written over a light blue rectangular background.

.....
Mrs HA Parker
Chair of Trustees

Date: 16 December 2021

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST

Opinion

We have audited the financial statements of The University of Newcastle upon Tyne Development Trust ("the Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities for the year ended 31 March 2021, the Balance Sheet as at 31 March 2021, the Cash Flow Statement for the year ended 31 March 2021 and the related notes 1 to 18, including as summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 below. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 to 31 March 2023.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST

Other information

The other information comprises the information included in the Trustees' Report and Accounts for the year ended 31 March 2021, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the Trustees' Report and Accounts for the year ended 31 March 2021.

Our opinion on the financial statements does not cover the other information and 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 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 the 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 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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 Statement of Trustees' Responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 management either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST

Auditor's 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

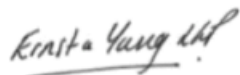
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are UK Financial Reporting Standard (FRS 102) and the Charities Statement of Recommended Practice, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.
- We understood how the Charity is complying with those frameworks by inquiring of management and corroborating this to review of minutes of Trustees' meetings.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of control as our fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing the schedule of transactions from which the financial statements have been prepared and testing all material transactions back to source documentation to confirm that the transactions were accounted for appropriately.

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

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

Use of our report

This report is made solely to the 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



16 December 2021

Date.....

.....
Ernst & Young LLP
Edinburgh

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

STATEMENT OF FINANCIAL ACTIVITIES for the Year Ended 31 March 2021

	Notes	Unrestricted £'000	Restricted £'000	Endowment Funds £'000	2021 Total £'000	2020 Total £'000
Income and endowments from:						
Donations and legacies	3	-	-	124	124	4,257
Investments	4	-	2	4	6	2
Total		-	2	128	130	4,259
Expenditure on:						
Charitable activities		(30)	(941)	(3,789)	(4,760)	(2,174)
Other	5/6	-	-	(51)	(51)	(58)
Total		(30)	(941)	(3,840)	(4,811)	(2,232)
Net gain/ (loss) on investments		-	-	13,639	13,639	(6,687)
Net income / (expenditure)		(30)	(939)	9,927	8,958	(4,660)
Transfers between funds	7	-	901	(901)	-	-
Net movement in Funds		(30)	(38)	9,026	8,958	(4,660)
Reconciliation of funds:						
Total funds brought forward		35	1,207	50,994	52,236	56,896
Total funds carried forward	14/15	5	1,169	60,020	61,194	52,236

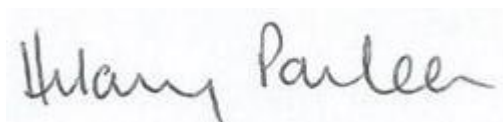
All incoming resources and resources expended are derived from continuing activities.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

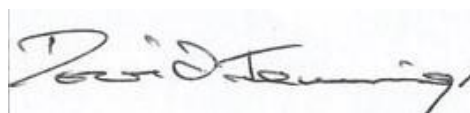
BALANCE SHEET as at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments	8		56,178		49,539
Current assets					
Debtors	9	11		2,405	
Short - Term Liquid Investments		1,685		-	
Cash at bank and in hand		4,141		1,078	
Total Current Assets		5,837		3,483	
Creditors: Amounts Falling Due Within One Year	10	(821)		(786)	
Net Current Assets			5,016		2,697
TOTAL ASSETS LESS CURRENT LIABILITIES			61,194		52,236
The Funds of the Charity:					
Income Funds:					
Restricted Funds		1,169		1,207	
Unrestricted Funds		5		35	
Total Income Funds	11/14		1,174		1,242
Total Endowment Funds	11/15		60,020		50,994
TOTAL CHARITY FUNDS			61,194		52,236

The financial statements on pages 21-38 were approved by the Board of Trustees on 16 December 2021 and signed on its behalf by



Hilary Parker (Chair)



David Jennings (Honorary Treasurer)

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

CASH FLOW STATEMENT for the Year Ended 31 March 2020

	Note	Year Ended 31 March 2021		Year Ended 31 March 2020	
		£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash used in operating activities:	17		(2,259)		(77)
Cash flows from investing activities					
Interest from investments		6		-	
Proceeds from sale of investments	8	30,484		3,132	
Purchase of investments		(7,110)		-	
Change in cash and cash equivalents held in investments		(16,373)		(2,740)	
(Increase) in short term liquid investments		(1,685)			
Net cash provided by investing activities			5,322		392
Increase in cash and cash equivalents in the year			3,063		315
Cash and cash equivalents at 1 April			1,078		763
Cash and cash equivalents at 31 March			4,141		1,078

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

1(a) Basis of Preparation

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts (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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16/07/2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn

A summary of the principal accounting policies, which have been applied consistently, is set out below:

1(b) Donations and Legacies

Donations, gifts and legacies are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

1(c) Investment Income

Income for Restricted and Unrestricted Income Funds is allocated on the basis of actual interest receivable on the income fund bank accounts, in proportion to each income fund. There is no investment income for endowment funds.

1(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable Activities - the costs identified as wholly or mainly attributable to achieving the charitable objects of the Trust, including direct staff costs, other direct costs, and apportioned support costs.

Other - includes investment management costs and all other costs relating to the general running of the Trust such as external audit fees, legal advice for Trustees, and the costs of meeting constitutional and statutory requirements.

Irrecoverable VAT is charged to the category of expenditure for which it was incurred.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

1(e) Payments to Newcastle University

Grants payable are recognised when payment is authorised.

(i) **Income Funds:** The Trust reimburses the University for expenditure incurred within the terms of the funds.

(ii) **Endowment Funds:** For the period ended 31 March 2020 payments were made out of the Endowment Funds which comprise 4.5 % of the endowment assets at 31 March 2019.

1(f) Income Funds

Income funds are classified as either **Restricted** or **Unrestricted** Income Funds:

(i) **Restricted Income Funds:** Donated for a specific purpose. There is no requirement to maintain the original level of the donation. These funds are further categorised:

'Income Funds **with** Supporting Endowments' - Income distributed from the endowments is placed on deposit pending approval of expenditure plans.

'Income Funds **with no** Supporting Endowments' - Funds donated with a definite purpose awaiting approval of expenditure plans.

(ii) **Unrestricted Income Funds** - These are funds which are donated with no specific purpose.

1(g) Endowment Funds

Endowments are held in a separate pool and are invested via an Investment Manager.

When monies are transferred to the Investment Manager they are deemed to acquire units within the investment pool. The total investment return is apportioned to each fund within the pool based on the number of units held.

Incoming resources comprise investment income, in the form of dividend income, and interest on the bank balances held by the investment Manager.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

1(g) Endowment Funds (continued)

Expenditure relating to Endowment Funds is the distribution made to the University, at a rate approved by the Trustees, currently 4.5% per annum, and a proportion of the investment management charges.

If the Endowment is restricted to a particular post within the University and that post is vacant the University does not receive a distribution until the post is filled. The distribution during the vacant period is capitalised i.e. used to purchase an equivalent portion of units for the particular endowment.

Endowment funds are categorised as either **Permanent** or **Expendable**:

(i) Permanent - Funds from which only unapplied total return can be spent.

(ii) Expendable - Funds which can be spent entirely, but only with the approval of the Trustees.

1(h) Fixed Asset Investments

Fixed asset investments are shown in the financial statements at their market value at the balance sheet date. The resulting unrealised surplus or deficit is credited or debited to the fund account through the movement of the funds in the Statement of Financial Activities. The AIL Adept Funds are valued at the net asset value at the balance sheet date

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Trustees have not received, and are not entitled to receive remuneration for their services (2019: £nil). No Trustees have reclaimed any expenses in the period (2019: £nil). The ultimate controlling party of the Trust is considered to be the Trustees.

3. DONATIONS AND LEGACIES

Income from donations and legacies in the year amounted to £124,000 (2020: £4,257,000). The donations in the year were contribution to the following existing expendable endowments: Foxcroft Estate (£16,000), Alice Stephenson Bequest for Cancer Research (£100,000) and Thomas and Mary Kirby Fund (£8,000)

4. INVESTMENT INCOME

	2021 £'000	2020 £'000
Bank interest	6	2

There is no direct investments income in 2021 relating to the Trust investments with AIL as these funds are accumulating income funds.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities

Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

5. INVESTMENT MANAGEMENT COSTS

	2021	2020
	£'000	£'000
Majedie Asset Management	-	13

The investment fees for Aon are deducted directly from the investment funds. In 2021 these are the sole investment charges. The fees charged relating to Aon for 2021 are estimated at £108,000 (2020:£119,000). In 2020 Investment fees for Majedie Asset Management were £13,000 and and therefore the total investment charge in 2020 equals £132,000.

6. ANALYSIS OF GOVERNANCE COSTS

	2021	2020
	£'000	£'000
Wages and salaries	13	16
Social security costs	1	2
Office costs	20	13
Audit Fees	15	13
Insurance	-	1
	49	45

The Trust had one direct employee in the current period in the year until October 2020 (2020: 1). There were no employees who received remuneration of £60,000 per annum or above during the period. No provision has been made for holiday pay accrual as this is deemed immaterial.

Office costs include a recharge from the University of £19,000 (2020: £9,000) for support services provided by Newcastle University finance and administrative staff. This includes a charge for Trust Management services provides by Newcastle University Advancement Office. All salary and office costs have been allocated to governance costs. None of the costs have been allocated to charitable activities as the role of fundraising has been assigned to the Advancement Office of the University.

7. TRANSFERS

	2021	2020
	£'000	£'000
Transfers from Endowment to Restricted Funds	901	742

The transfers from Endowment Funds to Restricted Income Funds relate to Endowments which have a Supporting Restricted Income Fund. Where the balance on an Income Fund is such that it is not anticipated that additional funds will be required for the next 18 months, funds cease to be drawn down from the Endowment, with the position of each Income Fund being reviewed every six months.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

8. INVESTMENTS

	2021	2020
	£'000	£'000
Market value at start of year - 1 April	49,539	56,617
Additions	7,110	-
Disposals	(30,484)	(3,132)
Investment gains / (losses)	13,640	(6,686)
Market value at end of year - 31 March	39,805	46,799
Movement in Investment Managers' Capital Accounts (cash)	16,373	2,740
Total Investments at end of year 31 March	<u>56,178</u>	<u>49,539</u>
Historical cost of quoted investments	<u>55,372</u>	<u>30,494</u>

The Trustees believe that the carrying value of the investments is supported by the underlying net assets of the individual funds.

ASSET ALLOCATION

	2021	2021	Control	2020	2020
	£'000	%	Ranges	£'000	%
Adept 24 - Diversified Absolute Return - HRMSL	-	0%	30-40%	16,162	33%
Adept 26 - Global Equities excl. tobacco) - HRMSL	36,922	66%	60-70%	30,495	62%
Cash & Equivalent : UK	19,256	34%	0-10%	2,882	5%
	<u>56,178</u>	<u>100%</u>		<u>49,539</u>	<u>100%</u>

On 31 March 2021 the Adept 24 fund was dissolved and associated cash in transit (£19,000,000) held with Aon Investment Limited.

9. DEBTORS

	2021	2020
	£'000	£'000
Donations Receivable	-	2,398
Investment Income Receivable	11	7
	<u>11</u>	<u>2,405</u>

There are no donations receivable at 31 March 2021. The balance of £2,398,000 due 31 March 2020 relates to a Bequest from the Estate of Mrs J A Foxcroft deceased, received May 2020.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Auditors	13	13
Newcastle University	808	773
	<u>821</u>	<u>786</u>

The amount owed to Newcastle University is made up of the final distribution for the year of 2021: £670,000 (2020: £747,000), an accelerated payment of £106,000 due to Newcastle University Library from the Marjorie Robinson Library Fund and the recharge for salary, social security costs and office costs for the year of £32,000 (2020: £26,000).

11. THE FUNDS OF THE CHARITY

Income Funds:

	2021	2020
	£'000	£'000
Opening balance as at 1 April	1,242	1,232
Incoming Funds	2	2
Expenditure	(971)	(734)
Net transfers to restricted funds	901	742
Total Income Funds at 31 March	<u>1,174</u>	<u>1,242</u>

Endowment Funds:

Opening balance as at 1 April	50,994	55,664
Donations and gifts	124	4,257
Investment income	4	-
Expenditure	(3,841)	(1,498)
Net transfers to restricted funds	(901)	(742)
Investment gains/(losses)	13,640	(6,687)
Total Endowment Funds at 31 March	<u>60,020</u>	<u>50,994</u>
Total Funds of the Charity	<u>61,194</u>	<u>52,236</u>

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2021 are represented by:

	Income Unrestricted £'000	Restricted £'000	Endowment Funds £'000	Total 2021 £'000
Outstanding transfer between funds	-	450	(450)	-
Investments	-	-	56,178	56,178
Debtors	-	-	11	11
Short term liquid deposits	-	-	1,685	1,685
Cash	5	719	3,417	4,141
Current liabilities	-	-	(821)	(821)
	5	1,169	60,020	61,194

13 TAXATION

The charity is a registered charity and as such is entitled to certain tax exemptions on income and gains from investments and all non-trading income is exempt from taxation.

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

14. INCOME FUNDS

RESTRICTED FUNDS	1 April 2020	Movement in Incoming Resources	Transfer from Endowment	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000	£'000
Korean Studies	19	-	12	(1)	30
Dr W E Harker Foundation	162	-	74	(74)	162
Kritchman Scholarships	1	-	1	-	2
Student Exploration (Travel Awards)	4	-	4	-	8
Barton De Loach	3	-	2	-	5
Jeffreys	1	-	1	-	2
Konishi	55	-	11	(9)	57
Randerson Foundation	92	-	60	(49)	103
William Benedict Coleman Scholarships	20	-	25	(36)	9
Wilson Campbell Memorial Appeal	3	-	1	(2)	2
Henry Miller Memorial Appeal Fund	32	-	10	-	42
Sophia Lecture	7	-	2	-	9
Brian J Lewis Prize	1	-	1	-	2
Charles Letts Memorial Fund	10	-	19	(23)	6
James Skillington Memorial Fund	2	-	1	(1)	2
Charles Bosanquet Memorial Appeal	14	-	3	-	17
Swales Bequest	19	-	10	-	29
Mac Cooper Appeal	26	-	4	-	30
Robinson Library	66	-	30	(25)	71
Kummerman/Fisher Fund	9	-	3	(8)	4
Marjorie Robinson Bequest	283	-	464	(561)	186
Continued overleaf	829	-	738	(789)	778

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

14. INCOME FUNDS (continued)

RESTRICTED FUNDS	1 April 2020	Movement in Incoming Resources	Transfer from Endowment	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000	£'000
<i>Continued</i>	829	-	738	(789)	778
Jack Jeffery Fund	4	-	1	-	5
Elsie Jeffery Bursary	3	-	1	-	4
Museum Conservation Fund	6	-	3	-	9
The Vesuvius plc Partners Bursary Fund	9	-	6	-	15
EM Henderson Bequest	2	-	2	-	4
Duke of Northumberland Memorial Appeal	206	2	-	(121)	87
Organ Scholarship	4	-	-	-	4
Bremner Smith Bequest	65	-	-	(31)	34
Dunlevy Fund	-	-	-	-	-
Alice Stephenson Bequest (Cancer Research)	61	-	25	-	86
Florence Kirby Estate	18	-	31	-	49
Foxcroft Estate	-	-	94	-	94
RESTRICTED FUNDS	1,207	2	901	(941)	1,169
UNRESTRICTED FUNDS	35	-	-	(30)	5
TOTAL INCOME FUNDS	1,242	2	901	(971)	1,174

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
Trustee Report and Accounts for the Year Ended 31 March 2021

NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS

PERMANENT	1 April 2020 £'000	Donations and Gifts £'000	Investment Income £'000	Transfer to Rest'd Funds £'000	Expenditure £'000	Gains on Investments £'000	31 March 2021 £'000
Action Medical Research Chair of Neuromuscular Disease	1,599	-	-	-	(90)	413	1,922
Tyne and Wear Chair of Environmental Control Engineering	850	-	-	-	(82)	230	998
Readership in Microelectronics	504	-	-	-	(60)	133	577
William Leech fund for Biomedical Science	661	-	-	-	(51)	181	791
Lectureship in Rheumatology	870	-	-	-	(65)	248	1,053
NCKRF Nephrology (1)	667	-	-	-	(61)	181	787
NCKRF Nephrology (2)	661	-	-	-	(57)	177	781
William Leech/McQueen Fund Neuromuscular Disease	714	-	-	-	(78)	191	827
NECCR Clinical Paediatric Oncology	2,056	-	-	-	(114)	616	2,558
NCKRF Transplant Immunology	705	-	-	-	(73)	189	821
William Leech/Green Fund for Renal Transplantation	813	-	-	-	(65)	230	978
NCKRF Nephrology (3P)	264	-	-	-	-	70	334
Korean Studies	249	-	-	(12)	-	70	307
Jeffcock Medical Research Fund	248	-	-	-	(12)	70	306
Haswell Ellis Music Fellowship	59	-	-	-	-	16	75
Dr WE Harker Foundation	1,580	-	-	(74)	(2)	446	1,950
Kritchman Scholarships	16	-	-	(1)	-	4	19
Boon Research Fund	36	-	-	-	(2)	10	44
Student Exploration Appeal	80	-	-	(4)	-	22	98
Barton De Loach Bequest	39	-	-	(2)	-	10	47
Jeffreys Fund	12	-	-	(1)	-	3	14
Chinese Lectureship	78	-	-	-	(28)	16	66
Konishi Foundation Fellowship in East Asian Studies	263	-	-	(11)	-	69	321
Randerson Foundation	1,472	-	-	(60)	(1)	359	1,770
TOTAL PERMANENT FUNDS	14,496	-	-	(165)	(841)	3,954	17,444

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
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NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2020 £'000	Donations and Gifts £'000	Net Investment £'000	Transfer to Restricted £'000	Expenditure £'000	Gains on Investments £'000	31 March 2021 £'000
Jacobson Chair of Personalised Medicine	1,001	-	-	-	(99)	265	1,167
Chair of Energy Studies	953	-	-	-	(65)	265	1,153
Chair of Engineering Materials	239	-	-	-	(60)	56	235
Henry Daysh Chair of Regional Development Studies	917	-	-	-	(70)	240	1,087
Chair of Ocean Engineering	1,100	-	-	-	(71)	302	1,331
Chair of Industrial Management	806	-	-	-	(67)	221	960
Chair of Occupational Health	820	-	-	-	(64)	226	982
Sir James Woodeson Chair of Manufacturing Eng.	942	-	-	-	(74)	259	1,127
Roland Cookson Chair of Composite Materials Eng.	1,551	-	-	-	(88)	429	1,892
William Leech Fund for Primary Care	1,287	-	-	-	(99)	357	1,545
Readership in Marine Transport	606	-	-	-	(73)	157	690
William Leech Fund for Ageing and Chronic Disease	985	-	-	-	(116)	263	1,132
William Leech Fund for Bioengineering	727	-	-	-	(62)	199	864
William Leech Fund for Neuroscience	684	-	-	-	(48)	189	825
William Leech Fund for Musculoskeletal Disorders	665	-	-	-	(76)	173	762
Senior Lectureship in Pathology (Upgrading)	375	-	-	-	-	107	482
NECCR Non-Clinical Paediatric Oncology	1,492	-	-	-	(100)	388	1,780
Lectureship in Haematology	627	-	-	-	(29)	175	773
William Leech Fund for Immunology and inflammation	644	-	-	-	(111)	163	696
NCKRF Nephrology (3E)	349	-	-	-	(72)	83	360
continued overleaf	16,770	-	-	-	(1,444)	4,517	19,843

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NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE	1 April 2020	Donations and Gifts	Investment Income	Transfer to Rest'd Funds	Expenditure	Gains on Investments	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Continued from previous page</i>	16,770	-	-	-	(1,444)	4,517	19,843
Duke of Northumberland Appeal	1,934	-	-	-	(108)	542	2,368
Research Technician in Haematology	246	-	-	-	-	67	313
The Vesuvius plc Partners Bursary Fund	123	-	-	(6)	-	35	152
Siemens Chair in Microelectronics	378	-	-	-	(78)	92	392
William Benedict Coleman Scholarships	540	-	-	(25)	(1)	153	667
Dina Atter Research Fund	220	-	-	-	-	58	278
Wilson Campbell Memorial Appeal	32	-	-	(1)	-	9	40
Dr Henry Miller Memorial Appeal	226	-	-	(10)	-	61	277
Sophia Lecture	38	-	-	(2)	-	10	46
Museum Conservation Fund	71	-	-	(3)	-	21	89
Studentships in Medicine	98	-	-	-	(5)	27	120
Haswell Music Fellowship	80	-	-	-	(40)	14	54
Brian J Lewis Prize Fund	12	-	-	(1)	-	4	15
Charles Letts Memorial Appeal	163	-	-	(19)	-	53	197
James Skillington Memorial Fund	14	-	-	(1)	-	6	19
Charles Bosanquet Memorial Appeal	71	-	-	(3)	-	21	89
Swales Bequest	176	-	-	(10)	-	59	225
Mac Cooper Appeal	87	-	-	(4)	-	24	107
Robinson Library Fund	643	-	-	(30)	(1)	181	793
Kummerman/Fisher Fund	73	-	-	(3)	-	21	91
<i>continued overleaf</i>	21,995	-	-	(118)	(1,677)	5,975	26,175

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NOTES TO THE ACCOUNTS

15. ENDOWMENT ACCOUNTS (continued)

EXPENDABLE (continued)	1 April 2020 £'000	Donations and Gifts £'000	Net Investment £'000	Transfer to Restricted Funds £'000	Expenditure £'000	Gains on Investments £'000	31 March 2021 £'000
<i>Continued from previous page</i>	21,995	-	-	(118)	(1,677)	5,975	26,175
Marjorie Robinson Bequest	9,693	-	-	(464)	(1,319)	2,781	10,693
Jack Jeffery IRES Outreach Fund	16	-	-	(1)	-	4	19
Elsie Jeffery Bursary	30	-	-	(1)	-	8	37
EM Henderson Bequest	34	-	-	(2)	-	11	43
Dunlevy Fund	8	-	-	-	-	2	10
Alice Stephenson Bequest (Cancer Research)	733	100	-	(25)	(1)	153	960
Florence Kirby Estate	1,591	8	4	(31)	(1)	189	1,760
Foxcroft Estate	2,398	16	-	(94)	(2)	563	2,881
TOTAL EXPENDABLE FUNDS	36,498	124	4	(736)	(3,000)	9,686	42,576
TOTAL ENDOWMENTS FUNDS	50,994	124	4	(901)	(3,841)	13,640	60,020

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NOTES TO THE ACCOUNTS

16. UNAPPLIED TOTAL RETURNS ON PERMANENT ENDOWMENT ACCOUNTS

	Unapplied Return at	Total Return In	Allocated to Income in	Unapplied Return at 31	Base Value	Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Action Medical Research Chair of Neuromuscular Disease	1,399	413	(90)	1,722	200	1,922
Chair of Environmental Control Engineering	716	230	(82)	864	134	998
Readership in Microelectronics	313	133	(60)	386	191	577
William Leech fund for Biomedical Science	536	181	(51)	666	125	791
Lectureship in Rheumatology	715	248	(65)	898	155	1,053
NCKRF Nephrology (1)	537	181	(61)	657	130	787
NCKRF Nephrology (2)	481	177	(57)	601	180	781
William Leech/McQueen Fund for Neuromuscular Disease	552	191	(78)	665	162	827
NECCR Clinical Paediatric Oncology	1,152	616	(114)	1,654	904	2,558
NCKRF Transplant Immunology	490	189	(73)	606	215	821
William Leech/Green Fund for Renal Transplantation	633	230	(65)	798	180	978
NCKRF Nephrology (3P)	219	70	-	289	45	334
Korean Studies	172	70	(12)	230	77	307
Jeffcock Medical Research Fund	213	70	(12)	271	35	306
Haswell Ellis Music Fellowship	18	16	-	34	41	75
Dr WE Harker Foundation	845	446	(76)	1,215	735	1,950
Kritchman Scholarships	9	4	(1)	12	7	19
Boon Research Fund	16	10	(2)	24	20	44
Student Exploration Appeal	24	22	(4)	42	56	98
Barton De Loach Bequest	13	10	(2)	21	26	47
Jeffreys Fund	4	3	(1)	6	8	14
Chinese Lectureship	28	16	(28)	16	50	66
Konishi Foundation Fellowship in East Asian Studies	113	69	(11)	171	150	321
Randerson Foundation	342	359	(61)	640	1,130	1,770
TOTAL UNAPPLIED RETURN	9,540	3,954	(1,006)	12,488	4,956	17,444

THE UNIVERSITY OF NEWCASTLE UPON TYNE DEVELOPMENT TRUST and other related charities
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NOTES TO THE ACCOUNTS

17. RECONCILIATION OF THE NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£'000	£'000
Net (expenditure)/(income) for the year	8,958	(4,660)
(Gain) / Loss on investments	(13,640)	6,686
Investment income	(6)	-
Decrease/(increase) in debtors (excluding investment income receivable)	2,394	(2,282)
Increase/(decrease) in creditors	35	179
Net cash (used in) operating activities	(2,259)	(77)

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2021	2020
	£'000	£'000
Increase/(Decrease) in cash and cash equivalents	3,063	315
Cash and Cash Equivalents at the beginning of the year	1,078	763
Cash and Cash Equivalents at the end of the year	4,141	1,078