

Charity Registered No: 244047

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

Report and Financial Statements

Year ended 31 December 2019

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

Legal and Administrative Information

Constitution

The Saint Andrew's Church Estate including the Charity of Sir William Blackett the Younger is a charitable trust governed by its Trust Deed. It is a registered charity no 244047.

Trustees

The Trustees who served during the year were:

Revd Michael Hills (Chairman from 9th July 2019)

Mrs R Hall (acting Chairman from 5th November 2017)

Mr R Blake

Offices

St Andrew's Church
Newgate Street
Newcastle upon Tyne
NE1 5SS

Bankers

Lloyds
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Investment Advisors

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Solicitors

Nicholson and Morgan
14 Belle Villas
City Centre
Ponteland
Newcastle upon Tyne
NE20 9BE

Trustees' Report

for the year ended 31 December 2019

Trust

The Trust was established by a Trust Deed dated 7 April 1702 and was registered with the Charities Commission on 21 April 1967.

Charitable Objects of the Trust

The Trust's charitable objectives are:

- a) The upkeep and maintenance of St Andrew's Church,
- b) The maintenance of services in the Church, and subsidiary thereto,
- c) The advancement of the religious and other charitable work of the Church of England in the Ecclesiastical Parish of the Church of St. Andrew, Newgate Street, Newcastle upon Tyne.

The Charity aims to satisfy its objects and demonstrates its public benefit through the above three main areas of charitable activity. When considering its proposed plans of activity and preparing this report, the Trustees have considered the Charity Commission's guidance on public benefit.

Structure, Governance and Management

- (1) The Trustees meet at least quarterly and make all decisions regarding investments and expenditure.
- (2) The Trustees have delegated the day-to-day management of the rental of the Trust's properties to Johnson Tucker LLP.
- (3) The Trustees have delegated the day-to-day management of the Trust's investments to Brewin Dolphin.
- (4) Trustees are appointed by the existing Trustees pursuant to the provisions of the Trust Deed. New Trustees are found from the contacts and personal knowledge of existing Trustees. The aim of the Trustees in making appointments is to have a range of skills qualifications and experience suited to achieving the objects of the Trust as set out in the Trust Deed.
- (5) On appointment, Trustees are provided with a copy of the Trust Deed, the most recent financial statements and investment reports and minutes of Trustees meetings. The experience of the persons appointed usually means that they have a good understanding of the responsibilities of a charity trustee, but where necessary guidance is available from the Trust's solicitors. Relevant Charity Commission publications are also available to the Trustees.

There were four full meetings of the Trust during the year. Our meetings were always minuted by the secretary. The meetings were attended by the Trustees and also by professional advisers when they were required. The Trustees were in contact with each other during the year in their roles as Vicar and Churchwardens. The Trustees receive no remuneration for attendance at meetings or for all the work they perform as Trustees. Provision of a phone for Trust business was provided for one of the Trustees' use.

Risk Management

The Trustees have considered any risks to which the Trust might be exposed and are satisfied that the administrative investment and financial procedures which are in place minimise the risk of any loss to the Trust. The position is reviewed regularly by the Trustees.

Trustees' Report

for the year ended 31 December 2019

Review of Activities and Performance

The Trustees met regularly throughout 2019, for both formal meetings with our various advisors, in connection with our properties in the city, and for discussions on priorities with regard to church matters referred from the Parochial Church Council.

Over the course of the year various aspects of management of our rental portfolio were reported to us by our Property Manager, discussed, and decisions made on new leases and any necessary procedures. Regular "landlord" visits were made to the properties by at least one of the Trustees, and there is an annual inspection by all those involved.

In church, after extensive scaffolding, dust and dirt in church for most of 2018, the decision was made in January 2019 to postpone further remedial work, mainly in the chancel area, which was advised at the time as necessary in the longer term rather than the short, in order to: a) re-accumulate funds b) prepare for a long-planned early April wedding and allow Holy Week and Easter Services to take place in our usually beautifully presented church. As the year went on an important development was confirmation that our new incumbent, Revd. Michael Hills, MBE, would be taking up his post as Vicar of St. Andrew's and City Centre Chaplain in July, at which time a significant installation Service is held, with many invitees, and as there was also to be another long-term booked wedding in September, further work on the chancel was scheduled for the end of 2019, beginning of 2020.

Over the course of the year the Parochial Church Council requested the Trust to allow funding for: the bulk of the Diocesan Parish Share, repairs to the East Window, the flue system on the main boiler, a new table and six chairs, and a bookcase, as well as new computer equipment for the upper vestry/office, two additional cameras to improve the CCTV system in church, and an automated door release system for the main door from the street to the hall/church controlled from the upstairs office. Repairs to the stonework in the Priest's Porch (Jubilee Chapel) to alleviate serious ingress of rainwater were also carried out. The Parochial Church Council Minutes give further detail on all our activities.

Strong liaison and support continued with the City Centre Chaplaincy and the Northumbria Deaf Mission, both of which were founded at St. Andrew's many years ago, and both these bodies hold meetings and coffee mornings on a regular basis, with the Deaf Mission occupying an office as well as holding a monthly Service in church signed for the deaf, using British Sign Language (BSL).

Several local businesses and charities welcome the opportunity to hire our halls for various activities, as we are conveniently placed in the city centre, and the Trust Fund allows us to keep costs at a modest level where necessary. It is felt that this makes us a hub in the community.

Since the arrival of Revd. Mike Hills, and due to his drive and enthusiasm, a new enterprise has been established with both the Royal School of Church Music, for up to date advice on approved rates of pay for church organists, and the University of Newcastle upon Tyne Music Department whereby a number of music scholars attend almost all Sunday, and any special Services, in term time, to sing appropriate liturgical settings, and for which they are given remuneration on each occasion. The elevation of the music during our traditional worship was a particular desire expressed in the parish profile written for applicants to the vacancy to evaluate our needs. We are actively applying for Grants from various bodies for this, and have already received a grant of £1,000 from a local charitable trust. In addition, some members of the congregation have set up direct debits and given donations specifically to develop our music and liturgy. Eventually, we would like to fund an organ scholar, and the vicar is working to foster a partnership with local musicians and music students to achieve this for the long-term.

As in previous years all our endeavours and aspirations have been accomplished with the strongest possible co-operation and support of the church staff: Mrs Michelle Small, the Office Manager and Trust Fund and PCC Hon. Treasurer, and Mr Dean Ions, our Caretaker, with both of whom it is a pleasure to work. Each goes beyond the job description they have to give painstaking attention to detail and great commitment, flexibility and efficiency to any task, and each pays no attention to the clock if the situation calls for extra time and effort.

Trustees' Report

for the year ended 31 December 2019

The Trust has also been well-served by the various outside advisors with whom we have entrusted our affairs: Mr Gary Robinson, our Property Manager, has been consistently reliable, vigilant and efficient, and we had no hesitation in accepting the recommendation of our retiring very diligent Solicitor, Mr Eric Nicholson, of Mr Jonathan Heslop, a member of his practice. Jonathan has continued in the same vein with the sorting of various continuing and new leases to our properties. We consider that our Investment portfolio is well looked after by a member of the firm Brewin Dolphin: Mr Michael Rankin, who came to report to us in January 2019. At that time it was agreed with him to continue to re-invest the income from investments, and to lower our Risk Profile from level 6 to level 5 in stages, which was recommended as being more suitable in view of current global concerns and the outcome of present Brexit negotiations.

We have worked over the course of the year with the Church Architect, Mr Michael Atkinson, and await a full Quinquennial Report which is overdue at the time of writing.

Financial review

The Trustees were grateful for the financial investment advice received from Michael Rankin, Brewin Dolphin. The income for the Trust during the year amounted to £218,603 and expenditure totalled £168,066. The market value of listed investments decreased to £635,418.

Investment policy and performance

The Trust is dependent solely on income from its investments to fulfil its objects. The Trustees' investment objective is therefore to maintain and enhance the value of the fixed assets and investments over the long term in order to maintain and if possible increase the income available for the purposes of the Trust. Investments and projected income are reviewed quarterly and performance compared with appropriate indices. Taking into account the effects of the economic and financial crisis and in particular the problems in the banking sector, investment performance has been satisfactory. We have a risk category of 5 which is diversified risk portfolio.

Reserves policy

Reserves which predominately represent the balance of unrestricted funds which as at 31 December 2019 was £3,329,634. It is the policy of the Trustees to retain sufficient reserves, subject to fluctuation in the value of the investments to ensure that in the event of a significant reduction in income the Trustees could at least maintain the regular expenditure. The Trustees have taken into account the current level of yield on investments, market volatility and the economic outlook.

Future Plans and conclusion

Following the resignation of Mr Raymond Blake as Churchwarden/Trustee in December 2019, his replacement will be elected at the Annual Parochial Church Meeting. This was scheduled for end of April 2020, although the impact of Covid-19 and the current restrictions arising from it has forced the Newcastle Diocese to postpone all AGM's until 31st October 2020.

The Trustees will continue to strive to meet the objectives of the Trust, and to work together with the City Centre Chaplaincy and the Northumbria Deaf Mission and other bodies to continue our mission for the church and in the community.

In early January 2020 it was planned to commence work on further investigation and any recommended remedial work on the woodwork in the roof of the chancel, together with some small areas of work remaining in part of the nave and north aisle.

Working from the gentle beginnings in 2019, we aim to deepen our relationship with the University of Newcastle (Music Department) so that it becomes a real and lasting partnership. We aim to restore the musical and liturgical life of St. Andrew's to former glory, by capitalising on our unique BCP ethos and tradition, to hopefully become a beacon of good practice for worship and music (sacred and secular). Furthermore, utilising our historical roots with Charles Avison, we aim to encourage appropriate musical concerts to take place in church.

Trustees' Report

for the year ended 31 December 2019

Equally, we have gained enthusiastic support from our City Ward Councillor, who now shares our vision to further transform our church grounds into a 'little oasis for all who live and work in the City.' Although this requires careful planning, we are pleased to report that owing to the local City Councillor commending our vision in a number of departments, this has become part of the wider local debate. Consequently, we are on the right path to eventually bringing this project to fruition.

We thank everyone who has contributed in any way to the welfare of the jewel which is St. Andrew's over the course of another eventful year, and are conscious of the foresight of our benefactors which has ensured that we have the funding to preserve the precious fabric, and to strive for excellence in worship in the "beauty of holiness."

Statement of Trustees' Responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Mrs Rosemary Hall

Acting Chairman *R Hall*

Date *15th October 2020*

Revd Michael J Hills

Chairman *M. J. Hills*

Date *13th October 2020*

Independent examiners' report

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

I report on the accounts of the Charity for the year ended 31 December 2019, which are set out on pages 7 to 13.

This report is made solely to the Trustees, as a body. The examination has been undertaken so that I might state to the Trustees those matters that are required to be stated in an examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for this examination, for this report, or for the statements made.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Caroline Mulley

Relevant professional qualification or body: Institute of Chartered Accountants in England and Wales

Address: Newcastle upon Tyne

Date: 16 OCTOBER 2020

Statement of financial activities

for the year ended 31 December 2019

	<i>Notes</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>2019</i>	<i>2018</i>
		<i>£</i>	<i>£</i>	<i>Total</i>	<i>Total</i>
				<i>£</i>	<i>£</i>
INCOME FROM:					
Voluntary income					
Donations for music scholarship		-	1,257	1,257	-
Fund raising					
Investment income	2	217,346	-	217,346	209,372
Total income		217,346	1,257	218,603	209,372
EXPENDITURE					
Charitable activities	3	88,910	1,020	89,930	167,194
Costs of fund raising	3	78,136	-	78,136	80,920
Total expenditure		167,046	1,020	168,066	237,114
Net income/(expenditure)		50,300	237	50,537	(38,742)
Realised gains on investment assets		13,145	-	13,145	-
Unrealised gains/(losses) on investment assets	5	63,090	-	63,090	(47,474)
Net movement in funds in year		126,535	237	126,772	(86,216)
Total funds brought forward		3,202,862	-	3,202,862	3,289,078
Total funds carried forward		3,329,397	237	3,329,634	3,202,862

All activities are continuing.

Balance sheet

at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Investment properties	4	2,570,000	2,570,000
Investments	5	635,418	550,598
		<u>3,205,418</u>	<u>3,120,598</u>
Current assets			
Debtors	6	46,369	372
Cash at bank		95,789	89,831
		<u>142,158</u>	<u>90,205</u>
Creditors: amounts falling due within one year	7	(17,942)	(7,939)
Net current assets		<u>124,216</u>	<u>82,264</u>
Net assets		<u>3,329,634</u>	<u>3,202,862</u>
Funds			
Unrestricted		3,329,397	3,202,862
Restricted – music scholarship		237	-
Total funds		<u>3,329,634</u>	<u>3,202,862</u>

Approved by the Board of Trustees on 13th October 2020 and signed on its behalf by:

M.J. Hills

Revd Michael J Hills - Chairman

Notes to the financial statements

at 31 December 2019

1. Accounting policies

Statement of compliance and basis of preparation

Saint Andrew's Church Estate is an unincorporated Charity registered in England. The Registered Office is St Andrew's Church, Newgate Street, Newcastle upon Tyne, NE1 5SS. The financial statements have been prepared in compliance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)". The Charity is exempt from preparing a statement of cash flows as it meets the requirements of a Small Charity.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice SORP (FRS 102). There were no material differences identified on adoption of the SORP (FRS 102).

Investments

Investments are included in the balance sheet at market value. Proceeds from sale of rights issues are credited against the cost of investment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment properties

The Charity's properties are held for long-term investment. Investment properties are accounted for in accordance with FRS 102 and are held at fair value. The assets are valued by an independent firm of chartered surveyors. The valuation is performed every five years, subject only to obtaining advice as to the possibility of any material movements between valuations. Any material surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the statement of financial activities for the year.

The Trustees believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Fund accounting

If the Charity receives funds for a particular purpose specified by the donor then the amounts are included in restricted funds and the relevant expenditure is charged against the fund.

Investment income

Income from bank deposits and dividends are accounted for on a received basis. Rentals receivable are credited in the statement of financial activities on an accruals basis recognising income receivable for the period.

Notes to the financial statements

at 31 December 2019

1. Accounting policies (continued)

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where expenditure falls wholly within one of the expenditure categories contained within the Statement of Financial Activities, it is shown wholly within that category. Other costs are allocated to the expenditure categories by management on a reasonable and consistent basis each year, having regard to the proportion of time or resources expended on each activity.

2. Investment income

	2019	2018
	£	£
Dividends	14,243	13,953
Interest receivable	421	307
Rent received	202,682	195,112
	<u>217,346</u>	<u>209,372</u>

3. Resources expended

	2019	2018
	£	£
<i>Expenditure payable in furtherance of charity's objectives - unrestricted</i>		
Diocesan quota	25,347	25,347
Repairs and restoration costs	25,637	107,527
Donations	3,000	3,000
Other charitable expenditure	-	-
Support costs	34,926	31,320
	<u>88,910</u>	<u>167,194</u>
<i>Expenditure payable in furtherance of charity's objectives - restricted</i>		
Music scholarship	1,020	-
	<u>1,020</u>	<u>-</u>
<i>Fund raising</i>		
Investment property costs	28,323	36,384
Investment property management costs	7,440	7,440
Investment management fees	7,448	5,776
Support costs	34,925	31,320
	<u>78,136</u>	<u>80,920</u>
<i>Support costs of charitable activities</i>		
Accommodation expenses	33,078	30,161
Professional fees	-	3,318
Staff costs	29,649	25,536
Other administrative costs	7,124	2,425
Independent examiner	-	1,200
	<u>69,851</u>	<u>62,640</u>

Notes to the financial statements

at 31 December 2019

3. Resources expended (continued)

Allocated based on time spent by staff 50% to charitable activities and 50% to fund raising

No remuneration was paid to Trustees in the year, nor were any Trustees' expenses reimbursed. Provision of a phone for Trust business was provided for the Trustees use. The staff costs were in respect of the verger's salary, and the salary of the administrative assistant which were paid on behalf of St Andrew's.

4. Investment properties

Freehold property
£

Valuation:

At 31 December 2018 and 31 December 2019

2,570,000

The freehold property consists of:

91/95 Percy Street, Newcastle upon Tyne, NE1 7RW – this property was valued by Johnson Tucker on 15 April 2016 at £1,640,000.

Bradburn House, 64/70 Northumberland Street, Newcastle upon Tyne, NE1 7DF – this property was valued Johnson Tucker on 15 April 2016 at £930,000.

These properties are leased to tenants under operating leases, 91/95 Percy Street over a range of periods with expiry dates up to 2028 and Bradburn House with 92 years remaining.

5. Investments

	<i>Listed investments</i>	<i>Cash</i>	<i>Unrestricted funds Total</i>
	£	£	£
Market value at 1 January 2019	545,884	4,714	550,598
Less Disposals	(189,987)	189,987	-
Add Acquisitions at cost	210,178	(210,178)	-
Change in market value	63,090	-	63,090
Gain on disposal	-	13,145	13,145
Dividends and interest	-	14,263	14,263
Investment management fees	-	(5,678)	(5,678)
Market value at 31 December 2019	629,165	6,253	635,418
Historic cost at 31 December 2019			492,076

All investments were managed by Brewin Dolphin. The Trustees consider individual investment holdings in excess of 10% of the portfolio value to be material; there were no material investment holdings in the year.

Notes to the financial statements

at 31 December 2019

6. Debtors

	2019	2018
	£	£
Amounts owing to the Trust	16,579	372
Balance held by property managers	26,665	-
Arrears of rent	3,125	-
	<u>46,369</u>	<u>372</u>

7. Creditors

	2019	2018
	£	£
Trade creditors	4,691	1,860
Deferred rental income	13,251	6,079
	<u>17,942</u>	<u>7,939</u>

8. Related party transactions

The Trustees are both churchwardens of St Andrew's Church. The grants made to St Andrew's Church for repairs and maintenance are set out in note 3. In addition R Blake was reimbursed for expenditure incurred on behalf of the Trust, totalling £1,738.

9. Bequest Account

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

	2019	2018
	£	£
Balance as at 1 January 2019	20	20
Investment income for the year	-	-
Expenditure during the year	-	-
	<u>20</u>	<u>20</u>

10. Taxation

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

Notes to the financial statements

at 31 December 2019

11. Analysis of movements on funds

	<i>At 1 January</i>			<i>Investment</i>	<i>At</i>
	<i>2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains</i>	<i>31 December</i>
	£	£	£	£	2019
					£
<i>Unrestricted</i>					
General	3,202,862	217,346	(167,046)	76,235	3,329,397
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Restricted</i>					
Music scholarship	-	1,257	(1,020)	-	237
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>3,202,862</u>	<u>218,603</u>	<u>(168,066)</u>	<u> </u>	<u>3,329,634</u>

Specific donations were received in the year to fund music scholarship.