

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

**Report and Financial Statements**

Year ended 31 December 2016

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. Canon G Evans (Chairman)  
Mrs R Hall  
Mr R Blake

**Offices**

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

**Independent examiners**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**Bankers**

Lloyds  
102 Grey Street  
Newcastle upon Tyne  
NE99 1SL

**Investment Advisors**

Brewin Dolphin  
Time Central  
Gallowgate  
Newcastle upon Tyne  
NE1 4SR

**Solicitors**

Warcup Law Firm  
Lloyds Bank Chambers  
24 Bondgate Within  
Northumberland  
NE66 1TD

## Trustees' Report

for the year ended 31 December 2016

### 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 six 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 Priest in Charge 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 2016

### Review of Activities and Performance

The Trustees monitored closely the activities and performance of the Trust over the year. We continued to work with others on using the Church for the benefit of the community in the Parish. We worked hard to maintain the fabric of the Church and the Trust's assets.

The Trustees helped support and develop the work of The Parish Church of St. Andrew.

We continued to ensure care was given to the most vulnerable people in the city. A drop in was provided and the caretaker and other staff regularly provided help to people. We continue to provide clothing and food when we can for those in need. We worked with many agencies to help support and provide for people who needed assistance. Many independent groups used the hall for meetings and activities. The Church and hall are used by at least 250 people every week via services, group events, drop-ins and coffee mornings. We had an active year with a great variety in the kind of things we provided in a warm and welcoming way.

The caretaker Mr Bill Atkinson was due to retire and so interviews were arranged to appoint a new caretaker. This role is a key element of the work of the church and our community activity. The Trust appointed Mr Dean Ions as our new caretaker to replace Mr Atkinson in January 2107. We look forward to working with him in the future.

We worked closely with Newcastle City Centre Chaplaincy to keep in touch with issues in the city. This year they celebrated 40 years of work in the city. It was great to review their work and see how much had been achieved over the years. The Trust were pleased to support their work. In the future we hope to continue this support.

The premises were used every weekday by the Newcastle City Centre Chaplaincy and the Northumbria Deaf Mission. These organisations provided care for a great number of people in the city. The ministry to the deaf has grown over this year. We encourage the deaf community to use the hall and church for many activities. Deaf signing classes begun for the first time in years in the upper hall. We hope to develop this ministry and continue to provide support.

The Parish Church was used on numerous occasions for services including weddings, baptisms and special services for the Military. We repeated a special concert and service for Remembrance which was very successful. This helped raise funds for The Poppy Appeal and brought the community together. The church is used by many military organisations who provide advice and ongoing support for veterans.

The Trustees supported the annual services and events in the Church, including the service for St. Andrew's Day. There were other events held which are catalogued in the PCC minutes which helped keep the Church open and linked to the community. This year the charity we chose as our main beneficiary from events was the Rainbow Trust Children's Charity.

The fabric of the Church and hall are a major priority for the Trustees. There was no major building work to be carried out again due to the diligent work and oversight of Mr Ray Blake. He has ensured that the buildings are well maintained. We have up to date reports on the church structure and follow a strict maintenance programme set out in a quinquennial report. We had some minor repairs and additions to the fabric of the church and these are all minuted at our Parochial Church Council ('PCC') and Trust meetings.

Mr Blake also oversees, on behalf of the Trust, our property portfolio. This year we completed major financial commitments to the buildings. This investment will ensure that the full rental potential of the building is acquired.

## **Trustees' Report**

**for the year ended 31 December 2016**

The Trustees oversee the renewal of rent and leases for their properties which they own. This year saw British Airways sell their lease on Bradburn House to Carnaby Properties which has seemingly gone smoothly and not affected the Trust income. Johnson Tucker is our property consultant and this has worked very well again this year. Their personal approach makes it much easier for the Trustees to keep abreast of work needed on the buildings and rental renewals etc. We tried to ensure our leases were fair and worked hard with our tenants to maintain good relations. We sought to make sure all our leases on Percy Street carried the same conditions attached to them so that if there is future development this would be made more straightforward. The Trustees have worked conscientiously to both make use of the rich assets left to us and seek to secure the future of the buildings we have care of.

The Trustees continue to fund the major expenditure of the PCC associated with the maintenance of Church Services and half the costs of the Priest in Charge. The Trust meets the cost of the caretaker whose work helps keep the Church and hall open for use and the Office Manager who helps in maintaining the work of the Parish and Trust. These costs are within the terms of the Charitable Objectives of the Trust.

The requests for expenditure are listed and presented to the Trust after PCC meetings. This procedure makes sure the relationship between the PCC and Trust remains clear. Our office manager maintains a clear control over these requests to ensure they are within the charitable trust deeds and are recorded officially. We thank Michelle for her hard work and attentiveness. She is more than ably supported by Rosemary Hall the PCC secretary and Trustee of the Trust.

The year has been full again and next year we hope to continue to reach out in to the community. We expect to support all our normal activities and organisations within our Parish. The fabric of the church and hall is well maintained but we still need to do work on our organ which needs a major service at some point. The Trust has been very active and born much fruit as a focal point for care and compassion in Newcastle City Centre.

We thank all who have helped the Trust and look forward to another successful year in 2017.

### **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 £212,235 and expenditure totalled £157,346. The market value of listed investments increased to £542,342.

### **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 3 which is diversified risk portfolio.

### **Reserves policy**

Reserves which predominately represent the balance of unrestricted funds which as at 31 December 2016 was £3,230,656. 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.

## Trustees' Report

for the year ended 31 December 2016

### Future Plans and conclusion

The year ahead will see new developments as with every year. The Trustees will continue their work to meet the objectives of the Trust. The Church is in a very sound condition but we will need to give it constant care and attention. We will continue to monitor its condition and meet the required repair schedule in the quinquennial. This year we will have a major cleaning of the organ carried out. The services on a Sunday are now well established and we will seek to build on these again. The service for the Deaf will take place more regularly and the Deaf community involved in the life of the church where possible. Through our daily work people will be continually aided and helped. We will keep our database and website updated to ensure people can access our help and information if they require it. We will continue our commitment to the City Centre Chaplaincy and other organisations that help people within the Parish. The Trustees have a vision for the continued development of the Church and its work in the Parish but will monitor this to keep it fresh and alive. We thank everyone who has helped us this year and who will do so in the future.

### 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:



Revd Canon G Evans

Chairman

Date 01/06/2017

# 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 2016, which are set out on pages 7 to 13.

This report is made solely to the Trustees, as a body, in accordance with our engagement letter dated 26 August 2014. The examination has been undertaken so that we 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, we 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 Acthave 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

For and on behalf of Ernst & Young LLP

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

Address: Newcastle upon Tyne

Date: 14 June 2017

## Statement of financial activities

for the year ended 31 December 2016

	<i>Notes</i>	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2016</i> <i>Total</i> £	<i>2015</i> <i>Total</i> £
<b>INCOME FROM:</b>					
<b>Fund raising</b>					
Investment income	2	212,235	-	212,235	191,145
Total income		212,235	-	212,235	191,145
<b>EXPENDITURE</b>					
<b>Charitable activities</b>	3	66,011	-	66,011	74,644
<b>Costs of fund raising</b>	3	91,335	-	91,335	153,209
Total expenditure		157,346	-	157,346	227,853
Net income / (expenditure)		54,889	-	54,889	(36,708)
Gains on investment assets	5	51,081	-	51,081	20,935
Gains on investment properties	4	-	-	-	191,000
Net movement in funds in year		105,970	-	105,970	175,227
Total funds brought forward		3,113,686	11,000	3,124,686	2,949,459
Total funds carried forward		3,219,656	11,000	3,230,656	3,124,686

All activities are continuing.

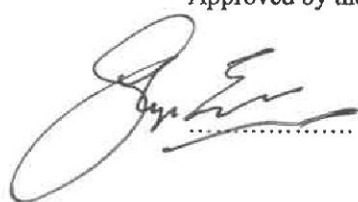


## Balance sheet

at 31 December 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investment properties	4	2,570,000	2,515,000
Investments	5	542,342	496,093
		<u>3,112,342</u>	<u>3,011,093</u>
<b>Current assets</b>			
Debtors	6	17,994	2,129
Cash at bank		132,481	120,075
		<u>150,475</u>	<u>122,204</u>
<b>Creditors:</b> amounts falling due within one year	7	(32,161)	(8,611)
		<u>118,314</u>	<u>113,593</u>
<b>Net current assets</b>			
		<u>3,230,656</u>	<u>3,124,686</u>
<b>Net assets</b>			
		<u>3,230,656</u>	<u>3,124,686</u>
<b>Funds</b>			
Unrestricted		3,219,656	3,113,686
Restricted		11,000	11,000
		<u>3,230,656</u>	<u>3,124,686</u>

Approved by the Board of Trustees on 01/06/2017 and signed on its behalf by:



..... Revd Canon G Evans – Chairman

## Notes to the financial statements

at 31 December 2016

### 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 Charity transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. The financial statements are the first financial statements of the Trust to be prepared in accordance with this revised SORP. No accounting adjustments or restatement of prior year comparative figures have been required as a result of this change.

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 2016

### 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

	2016 £	2015 £
Dividends	12,595	11,379
Interest receivable	474	1,394
Rent received	190,659	176,774
Contribution to refurbishment	8,507	1,598
	<u>212,235</u>	<u>191,145</u>

### 3. Resources expended

	2016 £	2015 £
<i>Expenditure payable in furtherance of charity's objectives</i>		
Diocesan quota	24,088	23,612
Repairs and restoration costs	9,207	13,246
Donations	3,000	2,500
Support costs	29,716	35,286
	<u>66,011</u>	<u>74,644</u>
<i>Fund raising</i>		
Investment property costs	46,258	102,618
Investment property management costs	10,530	10,273
Investment management fees	4,831	5,031
Support costs	29,716	35,287
	<u>91,335</u>	<u>153,209</u>
<i>Support costs of charitable activities</i>		
Accommodation expenses	27,774	32,940
Professional fees	7,454	3,694
Staff costs	21,565	29,006
Other administrative costs	1,439	3,733
Independent examiner	1,200	1,200
	<u>59,432</u>	<u>70,573</u>

## Notes to the financial statements

at 31 December 2016

### 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 vergers' salary, and the salary of the administrative assistant which were paid on behalf of St Andrew's PCC neither of these individuals have pension entitlements.

### 4. Investment properties

	<i>Freehold property</i>
	£
Valuation:	
At 31 December 2015	2,515,000
Additions	55,000
	<hr/>
At 31 December 2016	2,570,000
	<hr/>

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. This value has been reduced as refurbishment was ongoing at the year end and completed during 2016 up to the date of the valuation.

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</i>		<i>Unrestricted</i>
	<i>investments</i>	<i>Cash</i>	<i>funds</i>
	£	£	<i>Total</i>
			£
Market value at 1 January 2016	494,839	1,254	496,093
Less Disposals	(56,908)	56,908	-
Add Acquisitions at cost	52,346	(52,346)	-
Change in market value	51,081	-	51,081
Investment management fees	-	(4,832)	(4,832)
	<hr/>	<hr/>	<hr/>
Market value at 31 December 2016	541,358	984	542,342
	<hr/>	<hr/>	<hr/>
Historic cost at 31 December 2016			392,048
			<hr/>

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 2016

### 6. Debtors

	2016	2015
	£	£
Amounts owing to the Trust	2,207	272
Arrears of rent	1,151	1,857
Prepayments	14,636	-
	<u>17,994</u>	<u>2,129</u>

### 7. Creditors

	2016	2015
	£	£
Trade creditors	17,237	4,452
Deferred rental income	14,924	4,159
	<u>32,161</u>	<u>8,611</u>

### 8. Related party transactions

As reported in the Trustees' Report, Revd Canon G Evans, the chair of Trustees, is also the Priest in Charge of St Andrew's Church. The grants made to St Andrew's Church for repairs and maintenance are set out in note 3.

### 9. Bequest Account

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

	2016	2015
	£	£
Balance as at 1 January 2016	20	20
Investment income for the year	-	-
Expenditure during the year	-	-
	<u>20</u>	<u>20</u>
Balance as at 31 December 2016	20	20

### 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 2016

### 11. Analysis of net assets by funds

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total £</i>
Fixed assets	3,112,342	-	3,112,342
Net current assets	107,314	11,000	118,314
	<u>3,219,656</u>	<u>11,000</u>	<u>3,230,656</u>

### 12. Analysis of movements on funds

	<i>At 1 January 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Investment gains £</i>	<i>At 31 December 2016 £</i>
<i>Unrestricted</i> General	3,113,686	212,235	(157,346)	51,081	3,209,656
<i>Restricted</i> Organ grant	11,000	-	-	-	11,000
	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
<b>TOTAL FUNDS</b>	<u><b>3,124,686</b></u>	<u><b>212,235</b></u>	<u><b>(157,346)</b></u>	<u><b>51,081</b></u>	<u><b>3,230,656</b></u>

During 2014 £11,000 was received from the Diocese to fund repairs to the organ that was to be carried out in 2014. The work was put back and was expected to be done 2015. This has still not been completed but is expected to start mid-2016. The Faculty has now been completed and work is due to start 2017 with Peter Wood and Son.