

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

Report and Financial Statements

Year ended 31 December 2018

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:

Mrs R Hall (acting Chair from 5th November, 2017)
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

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

Trustees' Report

for the year ended 31 December 2018

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 five 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 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 2018

Review of Activities and Performance

The Trustees continued the work of the Trust in ensuring funds and manpower were adequate to maintain the precious fabric of our ancient church, as well as the attached vestries, halls, offices and churchyard, thus providing a safe and pleasant environment in which to worship, work and extend welcome and hospitality to all comers. As well as the regular congregations at Services, the premises are a hub for the community and groups from the wider area, and there are many visitors to the church from the United Kingdom and abroad. Being able to have the church open on weekdays and Saturdays, as well as for worship on Sundays makes a huge difference to the profile of St. Andrew's, and the wider Church, in the city, and many people both local and from afar appreciate the opportunity to come in and pray, or sit quietly.

2018 was an unusual year in that it became obvious from early days that much work needed to be carried out on the wooden roof beams to explore the extent of, and remedy, outbreaks of live woodworm, wet and dry rot; the worst of which were detected in the south aisle, but the whole of the roof throughout the church was surveyed. Funds were earmarked for several inspections by specialists, followed by the provision of a prodigious amount of scaffolding which had to be in place for several months of the year, and the actual treatment of the problems. With strong back-up from the church staff and members of the Parochial Church Council, and goodwill from the congregations and visiting clergy, all regular Services and occasional Services, as well as several weddings and baptisms, took place during the time the scaffolding was in place. We were constantly vigilant on the health and safety front. Only two of our special regular events were cancelled, as the scaffolding prevented the usual larger numbers attending from being seated. These involved our welcome contact with veterans' associations, but the indications are that they would like to return in future. Some work remains to be carried out in the chancel and parts of the nave, but this was deemed not as essential, at the time, as the work on the south aisle, enabling further funding to be accumulated, but plans are in place for this work to be done at the end of 2019/early 2020.

A deep clean of the organ, and work on internal parts in the pipes, which had been pre-booked for some time, and needed to be done, took place in January with much protective material in place, and our grand piano used for Services for the duration of the work.

We have worked well with members of the City Centre Chaplaincy to keep up our contacts in the city. The present uncertain climate as regards trading in some areas may be a concern in future, as regards financial support to the Chaplaincy from some businesses, but this situation makes the pastoral work of the chaplains even more important. The Wednesday morning Drop-in has continued and has been very popular with an increasing number of patrons who greatly value this amenity.

The hospitality to and work with the Northumbria Deaf Mission has gone from strength to strength, with an immensely well attended Thursday Coffee Morning, fortnightly Craft Groups, Signing Classes and increased numbers attending the monthly Holy Communion Service and fellowship, as well as Joint Sunday Services from time to time.

We are pleased to be able to accommodate local businesses, City Centre Council of Churches members, and other groups for meetings, as we are well placed and have good facilities. The Trust funds enable us to keep any charges to these smaller groups to the minimum.

The Parochial Church Council Minutes give further detail on all our activities.

All of the above has been accomplished with the unstinting help and efficient support of the church staff: Mrs Michelle Small, the Office Manager and Trust Fund and PCC Hon. Treasurer, and Mr Dean Ions, our Caretaker, who have willingly gone beyond their usual responsibilities to keep everything as smoothly as possible – especially during our long interregnum from November 2017. Credit must also be paid to the vigilant work and support given by the various advisors we consult and meet with usually on a regular basis: Mr Gary Robinson, our Property Manager, who keeps an eagle eye on our property portfolio in the city, our Solicitor: Mr Eric Nicholson, who has done considerable work reviewing several complex leases on our behalf, over his first full year with us, and Michael Rankin, our Investment Fund Manager. As regards the latter, due to his commitments we were not able to meet with him in 2018, but he came in January 2019

Trustees' Report

for the year ended 31 December 2018

when his advice was appreciated and followed. If the occasion arises, in emergency, we can call on other members of the Investment Advisors for recommendations, as it has offices very close to the church.

Our Architect, Mr Michael Atkinson, has also been a source of advice and guidance.

A new chapter in the life of St. Andrew's will open in July 2019, when our new Vicar & City Centre Chaplain: The Revd. Mike Hills, MBE, presently a Chaplain in the Royal Navy, who was appointed at the end of 2018, takes up his duties. We much look forward to working with him

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 £209,372 and expenditure totalled £248,114. The market value of listed investments decreased to £550,598.

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 2018 was £3,202,862. 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

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;

Trustees' Report

for the year ended 31 December 2018

- 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

Date 8th Oct. 2019

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 2018, 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.

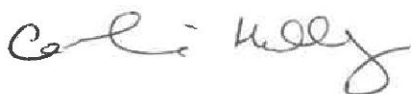
Basis of independent examiner's statement

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 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

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

Address: Newcastle upon Tyne

Date: 11 October 2019

Statement of financial activities

for the year ended 31 December 2018

	<i>Notes</i>	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2018</i> <i>Total</i> £	<i>2017</i> <i>Total</i> £
INCOME FROM:					
Fund raising					
Investment income	2	209,372	-	209,372	215,911
Total income		209,372	-	209,372	215,911
EXPENDITURE					
Charitable activities	3	156,194	11,000	167,194	103,140
Costs of fund raising	3	80,920	-	80,920	100,227
Total expenditure		226,114	11,000	237,114	203,367
Net (expenditure) / income		(27,742)	(11,000)	(38,742)	12,544
(Losses)/gains on investment assets	5	(47,474)	-	(47,474)	45,878
Net movement in funds in year		(75,216)	(11,000)	(86,216)	58,422
Total funds brought forward		3,278,078	11,000	3,289,078	3,230,656
Total funds carried forward		3,202,862	-	3,202,862	3,289,078

All activities are continuing.

Balance sheet

at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Investment properties	4	2,570,000	2,570,000
Investments	5	550,598	589,976
		<u>3,120,598</u>	<u>3,159,976</u>
Current assets			
Debtors	6	372	1,441
Cash at bank		89,831	149,378
		<u>90,205</u>	<u>150,819</u>
Creditors: amounts falling due within one year	7	(7,939)	(21,717)
		<u>82,264</u>	<u>129,102</u>
Net current assets			
		<u>3,202,862</u>	<u>3,289,078</u>
Net assets			
		<u>3,202,862</u>	<u>3,289,078</u>
Funds			
Unrestricted		3,202,862	3,278,078
Restricted		-	11,000
Total funds		<u>3,202,862</u>	<u>3,289,078</u>

Approved by the Board of Trustees on

and signed on its behalf by:



Mrs Rosemary Hall – Acting Chairman

Notes to the financial statements

at 31 December 2018

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 2018

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

	2018 £	2017 £
Dividends	13,953	13,710
Interest receivable	307	371
Rent received	195,112	201,830
	<u>209,372</u>	<u>215,911</u>

3. Resources expended

	2018 £	2017 £
<i>Expenditure payable in furtherance of charity's objectives</i>		
Diocesan quota	25,347	24,725
Repairs and restoration costs	107,527	38,955
Donations	3,000	3,000
Other charitable expenditure	-	5,000
Support costs	31,320	31,460
	<u>167,194</u>	<u>103,140</u>
<i>Fund raising</i>		
Investment property costs	36,384	55,875
Investment property management costs	7,440	7,476
Investment management fees	5,776	5,415
Support costs	31,320	31,461
	<u>80,920</u>	<u>100,227</u>
<i>Support costs of charitable activities</i>		
Accommodation expenses	30,161	29,992
Professional fees	3,318	4,577
Staff costs	25,536	24,522
Other administrative costs	2,425	2,630
Independent examiner	1,200	1,200
	<u>62,640</u>	<u>62,921</u>

Notes to the financial statements

at 31 December 2018

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 2017 and 31 December 2018

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 2018	588,169	1,807	589,976
Less Disposals	(19,505)	19,505	-
Add Acquisitions at cost	24,694	(24,694)	-
Change in market value	(47,474)	-	(47,474)
Dividends	-	13,871	13,871
Investment management fees	-	(5,775)	-
Market value at 31 December 2018	<u>545,884</u>	<u>4,714</u>	<u>550,598</u>
Historic cost at 31 December 2018			<u>422,585</u>

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 2018

6. Debtors

	2018	2017
	£	£
Amounts owing to the Trust	372	290
Arrears of rent	-	1,151
	<u>372</u>	<u>1,441</u>

7. Creditors

	2018	2017
	£	£
Trade creditors	1,860	8,458
Deferred rental income	6,079	13,259
	<u>7,939</u>	<u>21,717</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)

	2018	2017
	£	£
Balance as at 1 January 2018	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 2018

11. Analysis of movements on funds

	<i>At 1 January</i>			<i>Investment 31 December</i>	<i>At</i>
	<i>2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Losses</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Unrestricted</i>					
General	3,278,078	209,372	(237,114)	(47,474)	3,202,862
<i>Restricted</i>					
Organ grant	11,000	-	(11,000)	-	-
	11,000	-	(11,000)	-	-
Total funds	3,289,078	209,372	(248,114)	(47,474)	3,202,862

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 was utilised in the year in connection with repairs completed to the organ.