

Registered number: 08217668
Charity number: 1149510

THE BELSAY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



THE BELSAY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Simon Roger Kirkup Mrs Anne-Marie Belinda Trevelyan (resigned 20 April 2020) John Antony Scott Walton Angus Edward Collingwood-Cameron
Company registered number	08217668
Charity registered number	1149510
Registered office	Belsay Estate Office Belsay Newcastle upon Tyne NE20 0DX
Independent auditors	Ryecroft Glenton Chartered Accountants & Statutory Auditor 32 Portland Terrace Jesmond Newcastle upon Tyne NE2 1QP
Estate Management	Galbraith LLP (incorporating Land Factor) Blagdon Estate Office Seaton Burn Newcastle upon Tyne NE13 6DE

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the The Belsay Trust for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The primary objective of the charitable company is to preserve, for the benefit of the nation, the property of the charitable company comprising those parts of the Belsay Estate in Northumberland which are of historical or architectural interest or of natural beauty, whether on their own or as a setting for Belsay Castle and Belsay Hall and for such other charitable purposes as the Trustees in their absolute discretion from time to time deem appropriate. The Trustees believe the Trust has met its objectives throughout the year.

b. Strategies for achieving objectives

Decisions are made by the Trustees with the land management agents' input as appropriate.

c. Activities undertaken to achieve objectives

The activities of the company are farming and the renting out of property comprising the estate in order to generate income to maintain, preserve, restore, improve and develop the estate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

d. Main activities undertaken to further the Charitable Company's purposes for the public benefit

In carrying out the Trust's activities, the trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit, including the need to report how they have carried out their charity's purposes for the public benefit, when exercising any powers or duties to which the guidance is relevant. The charity has furthered its objects for the benefit of the public by carrying out the following activities during the year:

1. Providing public access to the Belsay Estate and engaging with the public regarding the preservation of the Estate, through its relationship with and work alongside English Heritage, which operates Belsay Hall and Belsay Castle and the surrounding grounds. This access enables individuals to learn about various aspects of the Estate and the charity to fund preservation work.

2. Engaging with English Heritage in relation to the Belsay Awakes project, funded by the national heritage lottery fund, in relation to the improvement, maintenance and development of the Belsay Estate improving its accessibility for the public for present and future beneficiaries.

The Trust has worked alongside English Heritage in the planning and preparation for the Belsay Awakes Project which has been ongoing for the past 5 years. We hold regular meetings with stakeholders, as well as English Heritage consultants and project teams to ensure that the Belsay Awakes Project preserves and develops the Estate in the right way.

3. The Trust works alongside English Heritage to provide access to new areas of the Estate and works with agencies and bodies such as Natural England to preserve and improve the grade 1 woodlands and grass parks that surround Belsay Hall, Castle and Gardens, as well as the historic buildings and landmarks within those. For example, the Trustees employ specialist contractors to undertake regular tree and wildlife surveys. The Trust also undertakes special projects every year to restore and maintain historic rural buildings and field structures (walls, bridges, fencing and gates) within the parks at Belsay.

4. Support to the local community through initiatives undertaken to include:

The Trust supports the local community surrounding Belsay Estate in numerous ways. The Trust provides relatively low cost housing to local families, and has a reputation as a good and supportive landlord with properties that are well maintained. Any maintenance problems are dealt with quickly and efficiently. The Trust has a good relationship with all its tenants.

The Trust is the owner of the buildings which form Belsay Primary School and Belsay Daycare. The Trustees regularly provides financial support to the school and supports its community initiatives.

The Trust also works alongside English Heritage to support its outreach and volunteer programme.

The Trust supports local initiatives to fight rural crime and also contributes to the local Red Squirrel patrol programme in Northumberland.

5. Other activities include:

The Trust Estate Office remained open through the Covid lockdowns, supporting residents and responding to requests for property maintenance where possible and appropriate. The Trust worked to ensure that the Estate (the Hall, Castle and Gardens) were secure by installing security cameras on the main driveway, when English Heritage had to close the site.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

a. Review of activities

The Trustees continue to maintain the properties of the Trust and have put in hand a programme of potential conversion of redundant buildings to productive use, in keeping with the ambience of the estate and its environs.

Financial review

a. Going concern

After making appropriate enquiries and considering the possible consequences of the COVID-19 pandemic as it might affect the charitable company the Trustees have concluded that they have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy of the charitable company to maintain free reserves, which at 31 March 2021 stood at £1,013,055 which the Trustees consider to be at an appropriate level to finance the continuing investment in, and improvement of, the charity's assets and to allow for sufficient liquidity to provide funds to cover management, administration and support costs.

c. Investment policy and performance

In furtherance of the charitable objects of the company, the Trustees have full and unrestricted powers of investment as set out in the Articles of Association.

d. Overview

The income of the charitable company for the year amounts to £402,878 (2020: £403,073) and costs of £232,819 (2020: £283,907) giving a surplus of £170,059 (2020: £119,166) before taking account of unrealised gains/losses in respect of property revaluations.

Structure, governance and management

a. Constitution

The Belsay Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Overall responsibility for the running of the charitable company is vested in the Trustees. Subject thereto, the administration of the day to day running of the charitable company is undertaken by the land management agents, Galbraith LLP.

d. Policies adopted for the induction and training of Trustees

The Trustees are or have been professional persons with relevant experience in acting in the capacity of Trustees. The Trustees have an established system to train new Trustees in relation to their duties and to induct them into the affairs and relevant workings of the charity, as required.

e. Related party relationships

During the year, the charitable company was provided with legal services by Womble Bond Dickinson LLP in which Trustee, Simon Roger Kirkup, is a partner.

In addition, Angus Edward Collingwood-Cameron, Trustee, is a founder of the Northern Farmers and Landowners Group. The charitable company has an annual subscription to this organisation.

f. Financial risk management

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

Plans for future periods

The Trustees will continue to focus on the investment of any surplus income and/or the proceeds of any asset sales in the Trust's property assets with a view to carrying out their policies and achieving their objectives.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

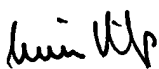
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Ryecroft Glenton, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 19 November 2021 and signed on their behalf by:



Simon Roger Kirkup
(Chair of Trustees)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BELSAY TRUST

Opinion

We have audited the financial statements of The Belsay Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BELSAY TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BELSAY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Charitable Company through discussions with trustees and other management, and from our commercial knowledge and experience of the rental sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charitable Company, including Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- We ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- Making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 10 were indicative of potential bias; and

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BELSAY TRUST (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with relevant regulators and the Charitable Company's legal advisors.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ryecroft Glenton

Chartered Accountants & Statutory Auditor

32 Portland Terrace

Jesmond

Newcastle upon Tyne

NE2 1QP

19 November 2021

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

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Charitable activities	3	-	401,564	401,564	402,501
Investments	4	-	1,314	1,314	572
		-	402,878	402,878	403,073
Total income and endowments					
Expenditure on:					
Charitable activities	5	-	232,819	232,819	283,907
		-	232,819	232,819	283,907
Total expenditure					
Net movement in funds before other recognised gains		-	170,059	170,059	119,166
Other recognised gains:					
Gains on revaluation of fixed assets		450,000	-	450,000	45,304
		450,000	170,059	620,059	164,470
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		12,720,357	1,833,506	14,553,863	14,389,393
Net movement in funds		450,000	170,059	620,059	164,470
Total funds carried forward		13,170,357	2,003,565	15,173,922	14,553,863

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 26 form part of these financial statements.

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REGISTERED NUMBER: 08217668

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,808,467	1,807,510
Investment property	10	12,352,400	11,902,400
		<u>14,160,867</u>	<u>13,709,910</u>
Current assets			
Debtors	11	24,918	57,937
Cash at bank and in hand		1,066,398	842,525
		<u>1,091,316</u>	<u>900,462</u>
Creditors: amounts falling due within one year	12	(78,261)	(56,509)
Net current assets		<u>1,013,055</u>	<u>843,953</u>
Total assets less current liabilities		<u>15,173,922</u>	<u>14,553,863</u>
Net assets excluding pension asset		<u>15,173,922</u>	<u>14,553,863</u>
Total net assets		<u><u>15,173,922</u></u>	<u><u>14,553,863</u></u>
Charity funds			
Endowment funds	14	13,170,357	12,720,357
Restricted funds	14	-	-
Unrestricted funds	14	2,003,565	1,833,506
Total funds		<u><u>15,173,922</u></u>	<u><u>14,553,863</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The financial statements were approved and authorised for issue by the Trustees on 19 November 2021 and signed on their behalf by:



Simon Roger Kirkup

The notes on pages 14 to 26 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Belsay Trust is registered as a charitable company, limited by guarantee and is incorporated in England. The address of its registered office is Belsay Estate Office, Belsay, Newcastle upon Tyne, NE20 0DX. The company's registered number is 08217668 and its charity number is 01149510.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Belsay Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries and considering the possible consequences of the COVID-19 pandemic as it might affect the charitable company the Trustees have concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Resources expended on charitable activities include both direct costs and support costs being those costs incurred directly in support of expenditure on the objects of the company and include project management costs. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charitable Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	Not depreciated
Plant and machinery	-	25% Reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Investments

Fixed asset investment properties are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Included in investment properties is the property of the charitable company comprising those parts of the Belsay Estate in Northumberland which are of historical or architectural interest or of natural beauty which were originally donated and have been valued at a nominal value of £1.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand consists of cash only held in the charitable company's bank accounts.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Rental income - farms	73,390	73,390
Grass Parks	106,103	106,103
Rental income - houses	188,023	188,023
Rental income - commercial and wayleaves	30,591	30,591
Rental income - office and equipment	2,100	2,100
Firewood sales	1,276	1,276
Sundry income	81	81
Total 2021	<u><u>401,564</u></u>	<u><u>401,564</u></u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Rental income - farms	71,080	71,080
Grass Parks	105,501	105,501
Rental income - houses	197,083	197,083
Rental income - commercial and wayleaves	26,041	26,041
Rental income - office and equipment	2,100	2,100
Sundry income	696	696
<i>Total 2020</i>	<u><u>402,501</u></u>	<u><u>402,501</u></u>

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - interest	<u><u>1,314</u></u>	<u><u>1,314</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - interest	<u>572</u>	<u>572</u>

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Total costs - Charitable activities	<u>232,819</u>	<u>232,819</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Total costs - Charitable activities	<u>283,907</u>	<u>283,907</u>

Summary by expenditure type

	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £
Total costs - Charitable activities	<u>2,381</u>	<u>230,438</u>	<u>232,819</u>

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5. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type (continued)

	<i>Depreciation 2020 £</i>	<i>Other costs 2020 £</i>	<i>Total funds 2020 £</i>
Total costs - Charitable activities	998	282,909	283,907

6. Analysis of expenditure by activities

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Total costs - Charitable activities	104,126	128,693	232,819

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Total costs - Charitable activities	84,897	199,010	283,907

Analysis of direct costs

	<i>Activities 2021 £</i>	<i>Total funds 2021 £</i>
Grass parks maintenance	60,931	60,931
Property maintenance	43,195	43,195
	104,126	104,126

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6. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Grass parks maintenance	17,543	17,543
Woodlands maintenance	1,650	1,650
Property maintenance	65,704	65,704
	<u>84,897</u>	<u>84,897</u>

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Depreciation	2,381	2,381
Management fees and expenses	61,309	61,309
Legal and professional fees	14,722	14,722
Insurance	14,430	14,430
Heat and light	639	639
Stationery and sundry expenses	5,140	5,140
Telephone	1,318	1,318
Rates and water	851	851
Irrecoverable VAT	19,584	19,584
Office repairs and renewals	(44)	(44)
Bad debt	(3,645)	(3,645)
Bank charges	134	134
Governance costs	11,874	11,874
	<u>128,693</u>	<u>128,693</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Depreciation	998	998
Management fees and expenses	64,905	64,905
Legal and professional fees	44,012	44,012
Insurance	15,175	15,175
Heat and light	1,144	1,144
Stationery and sundry expenses	6,243	6,243
Telephone	1,371	1,371
Rates and water	396	396
Irrecoverable VAT	32,215	32,215
Office repairs and renewals	99	99
Bank charges	5,492	5,492
Loan interest payable	15,820	15,820
Governance costs	11,140	11,140
	<u>199,010</u>	<u>199,010</u>

7. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £7,205 (2020 - £6,865), and for non-audit services of £4,669 (2020 - £4,275).

8. Trustees' remuneration and expenses

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

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2020	1,797,600	15,811	3,724	1,817,135
Additions	-	3,338	-	3,338
At 31 March 2021	<u>1,797,600</u>	<u>19,149</u>	<u>3,724</u>	<u>1,820,473</u>
Depreciation				
At 1 April 2020	-	9,625	-	9,625
Charge for the year	-	2,381	-	2,381
At 31 March 2021	<u>-</u>	<u>12,006</u>	<u>-</u>	<u>12,006</u>
Net book value				
At 31 March 2021	<u>1,797,600</u>	<u>7,143</u>	<u>3,724</u>	<u>1,808,467</u>
At 31 March 2020	<u>1,797,600</u>	<u>6,186</u>	<u>3,724</u>	<u>1,807,510</u>

10. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	11,902,400
Surplus on revaluation	450,000
At 31 March 2021	<u>12,352,400</u>

The 2021 valuations were made by Galbraith LLP on an open market value for existing use basis.

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11. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	11,349	34,581
Other debtors	10,026	708
Prepayments and accrued income	3,543	22,648
	<u>24,918</u>	<u>57,937</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	55,431	25,754
Accruals and deferred income	22,830	30,755
	<u>78,261</u>	<u>56,509</u>

13. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,066,398</u>	<u>842,525</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	<u>1,833,506</u>	<u>402,878</u>	<u>(232,819)</u>	<u>-</u>	<u>2,003,565</u>
Endowment funds					
Endowment Funds - all funds	<u>12,720,357</u>	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>13,170,357</u>
Total of funds	<u><u>14,553,863</u></u>	<u><u>402,878</u></u>	<u><u>(232,819)</u></u>	<u><u>450,000</u></u>	<u><u>15,173,922</u></u>

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14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
General Funds - all funds	1,714,340	403,073	(283,907)	-	1,833,506
Endowment funds					
Endowment Funds - all funds	12,675,053	-	-	45,304	12,720,357
Total of funds	<u>14,389,393</u>	<u>-</u>	<u>(283,907)</u>	<u>45,304</u>	<u>14,553,863</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	1,833,506	402,878	(232,819)	-	2,003,565
Endowment funds	12,720,357	-	-	450,000	13,170,357
	<u>14,553,863</u>	<u>402,878</u>	<u>(232,819)</u>	<u>450,000</u>	<u>15,173,922</u>

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
General funds	1,714,340	403,073	(283,907)	-	1,833,506
Endowment funds	12,675,053	-	-	45,304	12,720,357
	<u>14,389,393</u>	<u>403,073</u>	<u>(283,907)</u>	<u>45,304</u>	<u>14,553,863</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,526,297	282,170	1,808,467
Investment property	11,644,060	708,340	12,352,400
Current assets	-	1,091,316	1,091,316
Creditors due within one year	-	(78,261)	(78,261)
Total	13,170,357	2,003,565	15,173,922

Analysis of net assets between funds - prior year

	Endowment funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,526,297	281,213	1,807,510
Investment property	11,194,060	708,340	11,902,400
Current assets	-	900,462	900,462
Creditors due within one year	-	(56,509)	(56,509)
Total	12,720,357	1,833,506	14,553,863