Docusign Envelope ID: 542C365F-5242-884B-82A6-C79811AAF87A

Charity number: 512217

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Docusign Envelope ID: 542C365F-5242-884B-82A6-C79811AAF87A

ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2026

Trustees	Mr S J Lightley, Chairman Mr M Barker (appointed 26 September 2025) Mr G C Hunter Mr J W Kyle Dr H Jones- Lee Ms N Miller (appointed 14 April 2025) Mr M Richardson (appointed 10 June 2025)
Charity registered number	512217
Principal office	Thomas Horsley House 349 Benwell Lane Newcastle upon Tyne NE15 6NG
Independent auditors	Kinnair Associates Limited Chartered Accountants Statutory Auditor Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Clerk to the Trustees	Timothy Rohan Gray

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The Trustees present their annual report together with the audited financial statements of the St Mary the Virgin Estate Management Charity for the year from 1 April 2025 to 31 March 2026.

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).

Objectives and activities

● 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 object of the Charity is to administer and manage the property in its care.

i. The income of the Estate Management Charity is to be applied as follows:

- £400 to the Vicar for the time being of the Ecclesiastical Parish of Saint Matthew, Newcastle upon Tyne, for his own use and benefit; and

- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

ii. The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and

- as to 47% thereof to the Almshouse Trustees for application in accordance with the trusts of the Charity.

Achievements and performance

● Review of activities

Net investment income was £86k (2025: £77k). Due to the upturn in financial markets in the year the investment portfolio has seen a considerable return.

Rental income has fallen this year reflecting principally a renegotiation of a lease on one of the Charity's properties. Property outgoings have increased reflecting costs associated with a void period. As a result, net property income was £262k (2025: £345k).

General administrative costs have reduced from last year.

Share investment values have increased by £245k (2025: decreased by £29k).

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Achievements and performance (continued)

- **Investment policy and performance**

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The Charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio total return was +13.9% for the year to 31 March 2026 (2025: +2.9%). This compares with total returns for the following indices:

	Year to 31.03.26	Year to 31.03.25
BD Risk Category 6 Benchmark	+14.9%	+6.5%
Morningstar UK Gilt Index	+2.4%	-1.2%
Morningstar UK Corporate Bond Index	+4.3%	+2.3%
Morningstar UK All-Cap Index	+21.9%	+10.5%
Morningstar Global ex UK Index	+17.1%	+5.2%
Morning Star Global REIT Index	+1.7%	+6.2%
HFRX Absolute Return Index	+4.2%	+4.5%

The Brewin Dolphin Risk Category 6 Benchmark comprises 3.5% UK Gilts, 2.5% UK Bonds, 11% Overseas Bonds, 17% UK Equities, 51.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

After the slump in global equities towards the end of the previous year, risk appetite returned in May and June 2025 and the S&P 500 Index surged to a new record high, joining the MSCI World and Nasdaq 100 which had already surpassed previous peaks.
Several headwinds that had previously dampened sentiment, including geopolitical threats and trade tensions, subsided, or moderated, and markets embraced a backdrop of measured disinflation, diplomatic progress, and long-term secular tailwinds, such as artificial intelligence-led innovation. There was a reminder of the strength of technology stocks, with Nvidia reclaiming its title as the world's most valuable company. Meanwhile, the decline of the US dollar generated headlines and lifted sterling to a four-year high.
The third quarter of 2025 was another positive period and fears over the typical weakness in September did not materialise. Over the previous five years, global equities had risen each month from May to August, while September had stood out as the worst month of the year for equity returns. Investors were cheered by the first US interest rate cut of 2025 or, perhaps more significantly, of the second Trump administration.

The last quarter of the year saw a sharp sell-off in a number of stocks associated with the roll out of artificial intelligence (AI) and its supporting infrastructure. Although this pattern of sharp declines and subsequent increases had been seen before, the previous market leaders are finding it harder to move forward from each consecutive setback. Investors are concerned that there may be a pivot away from AI picks and shovels plays and a move towards beneficiaries instead. This centres around the motivations of company management and, in general, investors want management who show discipline when allocating capital. The worry is that management misjudge the capital cycle but there are key differences from past capital cycles in that today's investments are deployed immediately whereas, in previous cycles, costs would be spread over extended periods. For example, when building a mine it can take years to come online but the cost is borne over a decade, or more.
The dominant theme of the first quarter of 2026 was the Iran war and its far-reaching consequences for global energy markets, risk assets, and central bank policy. Equities experienced sharp declines as the escalatory rhetoric from both Washington and Tehran rattled markets. Most equity markets have now recovered from their lows but the gains made from the start of the year to the end of February were wiped out in March.
Over the year the investments gained 13.9 % on a time-weighted basis relative to a 14.9% rise in the RBC Brewin Dolphin Risk Category 6 benchmark. The Morningstar UK All Cap index gained 22%, the Morningstar Global ex UK Index rose 17%, and the Morningstar UK Gilt Index was up 2%.
Until the beginning of the Middle East hostilities, markets had recovered and been relatively calm, since 'Liberation Day' and the imposition of trade tariffs (and subsequent U-turns) by the Trump administration at the

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Achievements and performance (continued)

start of April 2025. Japan, Far Eastern, and emerging markets have led the way over the year and returns from the regions have each been around 30%. Contributors to global equity market returns have broadened out but technology remains a significant driver and a diversified and balanced portfolio simply cannot allocate to high-growth, technology, and AI-related companies, to the same extent as their weightings in main market indices and this has affected relative performance. These areas also do not contribute much to income.

Financial review

- **Going concern**

The Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis.

- **Reserves policy**

The Trustees have a policy, after allowing for other expenditure and interim payments to beneficiaries, of paying out the residual balance of the Charity's net incoming resources to the beneficiaries at the conclusion of the meeting approving the Trustees' report and financial statements. Consequently the reserves are represented by investment properties, other investments and funds awaiting investment and changes in those reserves result from changes in the value of investment properties and other investments as dictated by the Investment Policy.

Structure, governance and management

- **Constitution**

St Mary the Virgin Estate Management Charity is a registered Charity, number 512217, and is constituted under a Scheme of the Charity Commission dated 2 April 1979 as amended by a Scheme dated 20 September 2000 by a Resolution dated 7 September 2001 and a Scheme dated 20 February 2014.

It is regulated by The Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, the 20 September 2000 and the 20 February 2014 as well as a Scheme made by the Board of Education on the 4 July 1914.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouse Charity, referred to as the Almshouse Charity and the St. Mary the Virgin Estate Management Charity, referred to as the Estate Management Charity.

There have been no changes in the objectives since the last annual report.

Changes in Trustees

During the year, Mr A Birkmyre, Ms R Amey, Mr N Paton and Ms C Penn resigned as Trustees. The Board of Trustees wish to record their appreciation of their years of service to the Charity.

Ms N Miller, Mr M Richardson, Mr R Sanghera and Mr M Barker were appointed as Trustees during the year. Since the year end, Mr Sanghera has resigned as a Trustee.

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Structure, governance and management (continued)

- **Organisational structure and decision-making policies**

The Charity is run by a body of eight Trustees (increased in number from seven by the Scheme of the 20 September 2000). The Trustees are assisted by their Clerk. The body of Trustees shall consist of:

- Five Nominative Trustees

  One appointed by the Bishop of Newcastle;
  Two appointed by the Almshouse Trustees;
  Two appointed by the Governors of The Newcastle upon Tyne Royal Grammar School;

- Three Co-optive Trustees

  Appointed by a special resolution of the Estate Management Trustees.

- **Policies adopted for the induction and training of Trustees**

Upon appointment, Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of the last meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of charity trustees.

Trustees are appointed for their particular skills in dealing with a charity of this nature.

- **Financial risk management**

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

Plans for future periods

The Trustees intend to maintain their investments in commercial property and stock markets at current levels but the Trustees will keep this under review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

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 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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, the Charity (Accounts and Reports) Regulations 2008 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.

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, Kinnair Associates Limited, 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 02-Oct-2026 and signed on their behalf by:

Signed by:
Stephen Lightley
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Mr S J Lightley

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

Opinion

We have audited the financial statements of St Mary the Virgin Estate Management Charity (the 'Charity') for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2026 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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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 are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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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 Charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we consider may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulations;
- 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 Charity’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 the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are 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 HMRC, relevant regulators and the Charity’s legal advisors.

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There are inherent limitations in our anticipated audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kinnair Associates Limited
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Kinnair Associates Limited
Chartered Accountants
Statutory Auditor
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

Date: 02-Oct-2026

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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ST MARY THE VIRGIN ESTATE MANAGEMENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2026

	Note	Endowment funds 2026 £	Restricted funds 2026 £	Total funds 2026 £	*Total funds 2025 £*
Income and endowments from:					
Investments	3	**-**	**386,100**	**386,100**	*446,676*
Other income	4	**-**	**6,502**	**6,502**	*13,605*
Total income and endowments		**-**	**392,602**	**392,602**	*460,281*
Expenditure on:					
Raising funds	5	**-**	**37,508**	**37,508**	*23,986*
Charitable activities	7	**-**	**355,094**	**355,094**	*436,295*
Total expenditure		**-**	**392,602**	**392,602**	*460,281*
Net income before net gains on investments		**-**	**-**	**-**	*-*
Net gains on investments		**275,344**	**-**	**275,344**	*60,381*
Net movement in funds		**275,344**	**-**	**275,344**	*60,381*
Reconciliation of funds:					
Total funds brought forward		**7,213,367**	**-**	**7,213,367**	*7,152,986*
Net movement in funds		**275,344**	**-**	**275,344**	*60,381*
Total funds carried forward		**7,488,711**	**-**	**7,488,711**	*7,213,367*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

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BALANCE SHEET
AS AT 31 MARCH 2026

	Note		2026 £		*2025 £*
Fixed assets					
Investments	13		**2,813,738**		*2,569,886*
Investment property	12		**4,595,000**		*4,580,000*
			7,408,738		*7,149,886*
Current assets					
Debtors	14	**92,394**		*18,078*	
Cash at bank and in hand		**111,691**		*173,820*	
		204,085		*191,898*	
Current liabilities					
Creditors: amounts falling due within one year	15	**(124,112)**		*(128,417)*	
Net current assets			**79,973**		*63,481*
Total assets less current liabilities			**7,488,711**		*7,213,367*
Total net assets			**7,488,711**		*7,213,367*
Charity funds					
Endowment funds	17		**7,488,711**		*7,213,367*
Total funds			**7,488,711**		*7,213,367*

The financial statements were approved and authorised for issue by the Trustees on 02-Oct-2026 and signed on their behalf by:

Signed by:
Stephen Lightley
Mr SAF Lightley 9BC480...

The notes on pages 13 to 27 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

St Mary the Virgin Estate Management Charity is a registered charity, number 512217. The Charity is unincorporated and its registered office is Thomas Horsley House 349, Benwell Lane, Newcastle upon Tyne, NE15 6NG, England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance 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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

St Mary the Virgin Estate Management Charity 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

The Trustees have considered the likely effect of the current macro-economic global uncertainties on the prospects for future investment income and on the ability of tenants to continue to meet their rental income obligations. These forces will likely impact adversely on the Charity's future levels of income. However, as the greater part of the Charity's expenditure represents distributions to the beneficiaries that are linked to the level of income earned and will reduce if income levels remain low. The Trustees are satisfied that the Charity 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 Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

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2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity'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 Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Investments

Fixed asset investments are a form of financial instrument and 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.

The Charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with any changes in the fair value recognised in the statement of financial activities.

2.7 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.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 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 Charity 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.

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2. Accounting policies (continued)

2.10 Financial instruments

The Charity 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.

2.11 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Investment income

	Restricted funds 2026 £	**Total funds 2026 £**
Rent receivable	285,210	**285,210**
Dividends and interest on investments	99,697	**99,697**
Bank deposit interest	1,193	**1,193**
	386,100	**386,100**

	Restricted funds 2025 £	*Total funds 2025 £*
Rent receivable	*354,947*	*354,947*
Dividends and interest on investments	*90,340*	*90,340*
Bank deposit interest	*1,389*	*1,389*
	446,676	*446,676*

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4. Other incoming resources

	Restricted funds 2026 £	Total funds 2026 £
Reimbursement of insurance premiums	6,502	**6,502**

	Restricted funds 2025 £	*Total funds 2025 £*
Reimbursement of insurance premiums	*13,605*	*13,605*

5. Investment management costs

	Restricted funds 2026 £	Total funds 2026 £
Investment management fees	14,410	**14,410**
Outgoings on investment properties	23,098	**23,098**
	37,508	**37,508**

	Restricted funds 2025 £	*Total funds 2025 £*
Investment management fees	*13,845*	*13,845*
Outgoings on investment properties	*10,141*	*10,141*
	23,986	*23,986*

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	2026 £	*2025* *£*
Outgoings on properties		
Insurance	**15,661**	*1,641*
Professional fees	**66**	*8,500*
Repairs	**1,432**	-
Rates	**5,939**	-
	23,098	*10,141*

6. Analysis of grants

	Grants to Institutions 2026 £	Total funds 2026 £
Payment of grants to institutions	329,679	**329,679**

	Grants to Institutions 2025 *£*	*Total funds 2025* *£*
Payment of grants to institutions	*406,732*	*406,732*

The Charity has made the following material grants to institutions during the year:

	2026 £	*2025* *£*
Name of institution		
Vicar of the Parish of Saint Matthew, Newcastle upon Tyne under Regulation 25 (1) (a) of the 1979 Scheme	**400**	*400*
The Governors of Newcastle upon Tyne Royal Grammar School payment under Regulation 25 (1) (b) of the 1979 Scheme	**1,000**	*1,000*
The Governors of the Newcastle upon Tyne Grammar School	**173,988**	*214,826*
The Trustees of the Almshouse Charity	**154,291**	*190,506*
	329,679	*406,732*

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7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2026 £	Total 2026 £
Grant making activities	355,094	**355,094**

	Restricted funds 2025 £	*Total 2025 £*
Grant making activities	*436,295*	*436,295*

8. Analysis of expenditure by activities

	Direct costs - grant making activities 2026 £	Support costs 2026 £	Total funds 2026 £
Grant making activities	329,679	25,415	**355,094**

	Direct costs - grant making activities 2025 £	*Support costs 2025 £*	*Total funds 2025 £*
Grant making activities	*406,732*	*29,563*	*436,295*

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2026 £	Total funds 2026 £
Bank charges	298	**298**
Clerk's fees	11,250	**11,250**
Sundry expenses	1,300	**1,300**
Professional charges	2,582	**2,582**
Governance costs	9,305	**9,305**
Legal fees	302	**302**
Trustees' indemnity insurance	378	**378**
	25,415	**25,415**

	Activities 2025 £	*Total funds 2025 £*
Bank charges	*293*	*293*
Clerk's fees	*11,250*	*11,250*
Professional charges	*8,550*	*8,550*
Governance costs	*9,042*	*9,042*
Trustees' indemnity insurance	*428*	*428*
	29,563	*29,563*

Governance costs comprise:

	2026 £	*2025 £*
Governance auditors' remuneration	**5,555**	*5,292*
Clerk's fees	**3,750**	*3,750*
	9,305	*9,042*

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9. Auditors' remuneration

	2026 £	*2025* *£*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**3,722**	*3,550*
Fees payable to the Charity's auditor in respect of:		
Other professional services	**1,833**	*1,742*

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2025 - £NIL)*.

During the year ended 31 March 2026, no Trustee expenses have been incurred *(2025 - £NIL)*.

11. Net gains/(losses) on investments

	2026 £	*2025* *£*
Gains/(losses) on disposal of share investment assets	**14,935**	*14,868*
Gains/(losses) on revaluations of share investment assets	**245,409**	*(29,487)*
Gains/(losses) on revaluations of investment properties	**15,000**	*75,000*
	275,344	*60,381*

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12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2025	**4,580,000**
Gain on revaluation	**15,000**
At 31 March 2026	**4,595,000**

Investment properties are measured at fair value.

The valuation was carried out by Martyn Collins, an independent RICS-qualified valuer with experience in valuing properties. The valuation occurred on 14th July 2026 and this valuation has been utilised to ascertain the fair value as at 31st March 2026. There has been no significant change between the year-end date and the valuation date.

The valuation was based on the market approach, using recent transactions for similar properties and adjustments for differences in location, size and condition.

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13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2025	**2,547,784**	**3,822**	**2,551,606**
Additions	**341,753**	**6,698**	**348,451**
Disposals	**(331,728)**	**-**	**(331,728)**
Revaluations	**245,409**	**-**	**245,409**
At 31 March 2026	**2,803,218**	**10,520**	**2,813,738**
Net book value			
At 31 March 2026	**2,803,218**	**10,520**	**2,813,738**
At 31 March 2025	*2,547,784*	*3,822*	*2,551,606*

14. Debtors

	2026 £	*2025 £*
Due within one year		
Rent and insurance debtors	**78,436**	*10,130*
Other debtors	**5,693**	*-*
Prepayments and accrued income	**8,265**	*7,948*
	92,394	*18,078*

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15. Creditors: Amounts falling due within one year

	2026 £	*2025* *£*
Rent deposits	**17,438**	*17,438*
The Hospital of St Mary the Virgin Almshouse Charity	**5,015**	*10,613*
Other taxation and social security	**10,653**	*2,700*
The Newcastle upon Tyne Royal Grammar School	**7,948**	*14,263*
Accruals and deferred income	**83,058**	*83,403*
	124,112	*128,417*

Included in accruals and deferred income above is deferred income of £71,272 (2025: £71,272) representing rental income received in advance.

16. Financial instruments

	2026 £	*2025* *£*
Financial assets		
Financial assets measured at fair value through income and expenditure	**2,803,218**	*2,547,784*

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2026 £
Endowment funds					
Endowment Funds	**7,213,367**	**-**	**-**	**275,344**	**7,488,711**
Restricted funds					
Restricted Funds	**-**	**392,602**	**(392,602)**	**-**	**-**
Total of funds	**7,213,367**	**392,602**	**(392,602)**	**275,344**	**7,488,711**

Statement of funds - prior year

	Balance at 1 April 2024 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 March 2025 £*
Endowment funds					
Endowment Funds - all funds	*7,152,986*	*-*	*-*	*60,381*	*7,213,367*
Restricted funds					
Restricted Funds - all funds	-	*460,281*	*(460,281)*	-	-
Total of funds	*7,152,986*	*460,281*	*(460,281)*	*60,381*	*7,213,367*

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18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2026 £
Endowment funds	**7,213,367**	**-**	**-**	**275,344**	**7,488,711**
Restricted funds	**-**	**392,602**	**(392,602)**	**-**	**-**
	7,213,367	**392,602**	**(392,602)**	**275,344**	**7,488,711**

Summary of funds - prior year

	Balance at 1 April 2024 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 March 2025 £*
Endowment funds	*7,152,986*	*-*	*-*	*60,381*	*7,213,367*
Restricted funds	*-*	*460,281*	*(460,281)*	*-*	*-*
	7,152,986	*460,281*	*(460,281)*	*60,381*	*7,213,367*

The income of the Estate Management Charity arising from the Permanent Endowment Funds is to be applied to the Restricted Funds as follows:

- £400 to the Vicar of the Parish of St Matthew, Newcastle upon Tyne, for his own use and benefit; and
- £1,000 to the Newcastle upon Tyne Royal Grammar School for application in advancing the full-time further education of students who are under the age of 25 years and who have for not less than three years attended secondary school in the City of Newcastle upon Tyne.

The Estate Management Trustees shall pay the residue of the yearly income of the Estate Management Charity:

- as to 53% thereof to the Newcastle upon Tyne Royal Grammar School for application in accordance with the trusts of the Charity; and
- as to 47% thereof to the Almshouse Trustees for application in accordance with the trusts of the Charity.

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2026 £	Restricted funds 2026 £	Unrestricted funds 2026 £	Total funds 2026 £
Fixed asset investments	2,813,738	-	-	**2,813,738**
Investment property	4,595,000	-	-	**4,595,000**
Current assets	79,973	120,960	3,152	**204,085**
Creditors due within one year	-	(120,960)	(3,152)	**(124,112)**
Total	7,488,711	-	-	**7,488,711**

Analysis of net assets between funds - prior year

	Endowment funds 2025 £	*Restricted funds 2025 £*	*Total funds 2025 £*
Fixed asset investments	*2,569,886*	-	*2,569,886*
Investment property	*4,580,000*	-	*4,580,000*
Current assets	*63,481*	*128,417*	*191,898*
Creditors due within one year	-	*(128,417)*	*(128,417)*
Total	*7,213,367*	-	*7,213,367*

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20. Related party transactions

The Charity was originally constituted under a Scheme of the Charity Commission dated 2 April 1979 as amended by a Scheme dated 20 September 2000, by a Resolution dated 7 September 2001 and a Scheme dated 20 February 2014.

It is regulated by The Saint Mary's Hospital (Newcastle upon Tyne) Acts 1888 and 1927 as affected by Schemes of the Charity Commissioners of the 18 September 1903, the 18 March 1930, the 12 December 1966, the 2 April 1979, the 20 September 2000 and the 20 February 2014 as well as a Scheme made by the Board of Educaction on the 4 July 1914.

Two separate charities were set up under these arrangements and are administered individually. These are the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouse Charity referred to as the "Almshouse Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Grants payable by this Charity to the Almshouse Charity and the Newcastle upon Tyne Royal Grammar School are shown within the analysis of grants note to the financial statements. Amounts due to the Almshouse Charity and the Newcastle upon Tyne Royal Grammar School at the year-end are shown within the creditors due within one year note to the financial statements.