

THE CHURCH STREET CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

THE CHURCH STREET CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Contents	Page
Trustees' Report	1 - 4
Report of the Independent Examiner	5
Statement of Financial Activities (including income and expenditure account)	6
Balance Sheet	7
Notes to the Financial Statements	8 - 11

THE CHURCH STREET CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Reference and administrative details

The Church Street Charitable Trust Charity Number 1063148

Principal office and correspondence address

36/37 Bridge Street
Hereford
HR8 9DJ

Trustees

Mr R H L Stokes (Chairman)
Miss A G Bulmer
Dr M M Helme
Mr A R Thomas
Mrs M E Campbell
Miss M S Davis
Mr CR George (appointed 26 September 2019)

Advisors

Solicitors

A Cunliffe
Messrs Lambe Corner & Co
36/37 Bridge Street
Hereford
HR4 9DJ

Investment Advisors

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill West Mallory
Kent
ME19 4JQ

Property Advisor

Sunderlands
Offa House
St Peters Square
Hereford
HR1 2PQ

Independent Examiner

I P Cooke FCA
Crowthers Accountants Limited
10 The Southend
Ledbury
Herefordshire
HR8 2EY

THE CHURCH STREET CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report and financial statements of the Charity for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and 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 published on 16 July 2014.

Structure, governance and management

The Church Street Charitable Trust is a registered charity (number 1063148) and was formed on 5 March 1997 under a Trust Deed set up by Mrs Christine Mary Frederica Bulmer as the founder.

During the year the Trustees carried out a risk review, which involved identifying the risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. Systems are currently being reviewed and established to reduce the impact of the risks identified.

New Trustees are appointed in line with the terms of the Trust Deed. When selecting persons to appoint as new Trustees, the Trustees shall take into account the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications to make a contribution to the pursuit of the objects or management of the Charity.

Objectives and activities for the public benefit

The objectives of the Trust Fund and its income is to apply the income for such charitable purposes as the Trustees at their absolute discretion think fit, and in particular, but not so as to limit the generality of the foregoing, for the general benefit and preservation of Church Street properties in the City of Hereford.

The Charity is a public benefit entity.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. Having budgeted on the sum to be put aside for future repairs and upkeep of the properties in Church Street it was decided, if requested, to make further donations again this year in line with earlier years to support the Hereford Museum of Cider (a registered Charity) for £16,000, The Courtyard for promotion of their Youth Theatre and Visual Arts for £12,000 and various other donations in the support and advancement of the education of the public in traditional crafts and handicrafts. The Trust would like to see the uniqueness of Church Street maintained as an independent shopping street offering a wide and interesting variety of individual retail and craft outlets.

Achievements and performance – how we delivered public benefit

The Trustees continue to maintain the buildings owned by the Trust, in 2020 spending £33,482 on general repairs and maintenance (2019: £83,361 including the complete refurbishment of the last remaining unrefurbished flat). The Trust continued in its ongoing support of Hereford Cider Museum and in addition various grants were made available throughout the year in support of education and further training in the arts and craft as shown in the accounts. Grants were awarded to Hereford College of Arts plus awards to other individual students to progress in art and craft related studies. In addition, a further £4,554 (2019: £6,912) was spent by the Trust in promoting the Old Mayors Parlour, some of which has been set aside to award prizes to participating students through various education establishments.

The Trust commissioned independent reports and advice of its professional advisers on the purchase of a large Grade II listed property in Church Street comprising of 2 shops and a total of 8 residential flats property. The Trustees have agreed to purchase this property which will significantly increase the annual rental income received by the Trust.

Financial review

The Trustees are confident that the finances are strong and will improve with the rental flow and limited annual repairs.

The policy agreed by the Trustees is to preserve and maintain the buildings, to take steps whenever possible to maintain maximum occupancy of the buildings and if considered appropriate to make donations or grants to other charities and individuals in support of education and promotion in arts and crafts.

THE CHURCH STREET CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees have reviewed the reserves of the Charity. The review concluded that the reserves were mainly the properties owned by the Trust in Church Street which should continue to produce a steady income, although suitable allowance is to be made to reflect possible reduction in rental income where properties have become vacant pending re-letting. The Trustees consider sufficient funds will be available to continue support of local charities and education in arts and crafts as permitted in the Trust's 'Declaration of Trust'

Plans for Future Periods

The plan is to discharge effectively the Charity's objectives of preserving and maintaining its buildings and to this end in 2016 the Trustees commissioned a building survey report on all their properties and consider that based on that Report and the cost of repairs and general expenses for the past five years it is reasonable to assume an annual need to allow for a sum of £50,000. It is the intention of the Trust to commission further reports once every 10 years to ensure the buildings are maintained to a high level, especially where the buildings are listed as being of historical and architectural importance. On the current overall income plus the additional income from the newly acquired property this would give a surplus of approximately £50,000 after the loan repayment that might be used for other charitable purposes as permitted under the deed of the Charity in keeping with the Trust's objectives.

The success of an exhibition gallery in Church Street is considered important and the management agreement previously entered into by the Trustees is proving successful and is bringing the gallery into greater use, whilst maintaining to provide facilities to enable local arts and craftsmen to promote and market their work, and its use in an educational role in providing facilities and support for local pupils and young artists/crafts. In addition to also continue making grants and donations available in support of the Trust's objectives.

The Trustees completed the purchase of a property in Church Street in early April 2019 and facilitated by a small private loan from the vendor have set aside sufficient funds. The vendor has since gifted the outstanding balance of the loan to the Trust thus freeing up further funds to support the Trust's other objectives.

The Trustees are mindful that whilst prior to the Coronavirus pandemic the economic climate was showing signs of improvement, nevertheless small independent traders were still finding trading difficult and no increase in rental income is therefore predicted in the immediate future. The Trustees foresaw the devastating effect on businesses in Church Street from Government restrictions to combat the Covid 19 pandemic and the need to assist these businesses during unprecedented trading difficulties, it immediately introduced a 50% rent reduction increasing to a 100% reduction for all traders from the March 2020 quarter's rent with further reductions if proved necessary. This will have a significant effect on rental income, but the Trust has sufficient reserve funds in hand to enable it to continue with its objective and to keep the properties in good repair.

Trustees' responsibilities in relation to the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations 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.

THE CHURCH STREET CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Independent Examiner

The Trustees intend to ask Ian Cooke of Crowthers Accountants Limited to undertake the independent examination of the Trust for the following year.

Signed on behalf of the Trustees on 23 May 2020

R H L STOKES

A handwritten signature in black ink, appearing to read 'R H L Stokes', written in a cursive style.

THE CHURCH STREET CHARITABLE TRUST

REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2020

I report on the accounts of the Trust for the year ended 31 March 2020, which are set out on pages 6 to 11.

Respective responsibilities of Trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's report

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the Trustees have not met the requirements to ensure that:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which with accord with the accounting records and comply with the accounting requirements of the 2011 Act

have been met; or

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



I P Cooke FCA
Crowthers Accountants Limited
10 The Southend
Ledbury
Herefordshire
HR8 2EY

23 May 2020

THE CHURCH STREET CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2020

Unrestricted Funds					
	Notes	2020		2019	
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	-		85,000	
Investments	4	243,951		170,715	
Total income and endowments			243,951		255,715
EXPENDITURE ON:					
Expenditure on raising funds	5	(62,302)		(104,564)	
Expenditure on charitable activities	6	(40,676)		(55,461)	
Total expenditure			(102,978)		(160,025)
Net income			140,973		95,690
(Loss) on revaluation of investment assets			(4,473)		(202)
NET MOVEMENT IN FUNDS			136,500		95,488
Reconciliation of funds:					
Total funds brought forward			2,509,861		2,414,373
Total funds carried forward			2,646,361		2,509,861

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

THE CHURCH STREET CHARITABLE TRUST

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Investments	7		2,392,529		1,554,630
CURRENT ASSETS					
Debtors	8	7,464		14,855	
Cash at bank in hand		<u>249,368</u>		<u>953,538</u>	
		256,832		968,393	
Creditors: amounts falling due within one year	9	<u>(3,000)</u>		<u>(13,162)</u>	
Net current assets			<u>253,832</u>		<u>955,231</u>
NET ASSETS			<u>2,646,361</u>		<u>2,509,861</u>
TOTAL CHARITY FUNDS – Unrestricted funds			<u>2,646,361</u>		<u>2,509,861</u>

The financial statements on pages 6 to 11 were approved by the Trustees on 23 May 2020 and signed on behalf by:



R H L STOKES
Trustee

THE CHURCH STREET CHARITABLE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", (revised 2005) and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Charities Act 2011.

The functional currency of The Church Street Charitable Trust is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the Charity operates.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant area of adjustment and key assumptions that affect items in the accounts are to do with the valuation of investments.

(b) INCOME RECOGNITION

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.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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 bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(c) EXPENDITURE RECOGNITION

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required 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 or apportioned to the applicable expenditure headings. For more information on this attribution please refer to note (e) below.

(d) IRRECOVERABLE VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(e) ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the statutory independent examination and legal fees together with an apportionment of overhead and support costs.

THE CHURCH STREET CHARITABLE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

(f) CHARITABLE ACTIVITIES

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 5.

(g) FIXED ASSET INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(h) REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). Expenses paid to the Trustees in the year totalled £Nil (2019: £Nil).

3. DONATIONS AND LEGACIES

	2020 £	2019 £
Miss A G Bulmer	<u>-</u>	<u>85,000</u>

THE CHURCH STREET CHARITABLE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 CONTINUED

4. INCOME FROM INVESTMENTS

	2020 £	2019 £
Rental income	243,378	165,412
Gallery – Old Mayor’s Parlour	-	-
Interest receivable	232	4,789
Dividends receivable from investments	341	514
	<u>243,951</u>	<u>170,715</u>

5. EXPENDITURE ON RAISING FUNDS

	2020 £	2019 £
Expenses and repairs to rental properties	33,482	83,361
Agent’s fees	28,820	21,203
	<u>62,302</u>	<u>104,564</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	2020 £	2019 £
Governance costs:		
Independent examiners fees	3,000	3,000
Accountancy services	708	742
Legal and professional fees	420	2,903
Bank charges	150	60
Donations:		
Hereford Cider Museum CIO	16,000	16,000
Donations to individuals and Hereford College of Arts	3,250	3,910
Hereford Make CIC	500	3,840
The Courtyard	12,000	18,000
The Society for the Protection of Ancient Buildings	94	94
Gallery – Old Mayor’s Parlour running costs	4,554	6,912
	<u>40,676</u>	<u>55,461</u>

THE CHURCH STREET CHARITABLE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 CONTINUED

7. FIXED ASSET INVESTMENTS

<u>Market Value</u>	<u>Freehold Investment Property</u>	<u>Listed Investments</u>	<u>Total</u>
	£	£	£
As at 1 April 2019	1,533,652	20,978	1,554,630
Additions	842,031	341	842,372
Revaluations	<u>-</u>	<u>(4,473)</u>	<u>(4,473)</u>
As at 31 March 2020	<u>2,375,683</u>	<u>16,846</u>	<u>2,392,529</u>

The freehold property was donated to the Trust and was valued at 30 September 2000 by Carter Jonas, Chartered Surveyors, on an open market value basis, subject to the existing tenancies. The Trustees are of the opinion that the fair value is now not significantly different to that detailed above (valuation as at 31 March 2016 from Sunderlands & Thompsons LLP).

The listed investments have an historical cost at 31 March 2020 of £15,232 (2019: £14,891).

8. DEBTORS

	2020	2019
	£	£
Rents receivable	<u>7,464</u>	<u>14,855</u>

9. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	<u>3,000</u>	<u>13,162</u>

10. RELATED PARTY TRANSACTIONS

During the year, Miss A G Bulmer (a Trustee) donated £Nil (2019: £85,000) to the Charity. There was no restriction placed on how the funds can be used.

During the year, the Charity donated £16,000 (2019: £16,000) to the Hereford Cider Museum CIO (of which Miss A G Bulmer is also a Trustee).