

REGISTERED CHARITY NUMBER: 218575

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2019
for**

**Hereford Cathedral Almshouse Charity of
Saint Katherine and Saint Ethelbert**

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

The objective of the charity

The relief of poverty by the provision of alms house accommodation for brethren and sisters and in relieving either generally or individually persons who are in need, hardship or distress.

Background and principal activities

At year's end 2011, the charities Saint Katherine's Hospital and The Hospital of Saint Ethelbert merged. The trustees believed the merger of the two charities would provide sufficient combined invested funds to continue the process of providing supported accommodation for elderly and vulnerable people.

There are 22 alms houses available for occupation. A small weekly charge is made for the occupation of the alms houses which, together with the property and investment income, allows the trustees to provide a high level of maintenance of the building and alms houses, as well as providing other support for the residents.

Vacancies for alms houses are advertised locally, and applicants are assessed by the trustees against a number of criteria - the most significant of which are financial need and local connection.

Grantmaking

Grants are made to other institutions or individuals where the need is consistent with the charity's objects.

FINANCIAL REVIEW

Investment policy and performance

The trustees have considered the most appropriate policy for investing funds and consider that their current mix of investment at Rathbone Investment Management Ltd meet their requirements for both income and capital growth. Investments are held for long term and the trustees continue to monitor performance on a regular basis.

The market value of the Charity's investment portfolio (excluding cash held for investment) at 31 December 2019 amounted to £6,612,734 (2018: £5,899,964).

Reserves policy

The capital accumulating in the Charity enables ongoing repair works to be carried out. The reserves are to be allowed to continue to accumulate until such time as there is sufficient funding to establish a sheltered housing unit which will provide sufficient income to meet its running costs.

At the balance sheet date, "free" reserves, being those unrestricted funds, other than fixed assets, designated funds or otherwise committed, amounted to £381,739 (2018: £204,725). The Charity aims to retain free reserves in liquid resources sufficient to provide adequate working capital to fund its activities for up to three months.

Review of activities during the year

Details of the financial position of the Charity are set out within these accounts.

During the year 2019, on average, 18 out of 22 alms houses were fully occupied for the financial year.

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Review of activities during the year (continued)

Within the criteria of its objects, the trustees had committed to donate £70,000 to the Supported Housing for Young People Project (SHYPP) conditional on the charity carrying out night time and evening work across SHYPP foyers in Hereford, Ross-on-Wye and Leominster. Due to changes within SHYPP pursuant upon its parent body being taken over by Coventry-based West Midlands Housing Group this work appeared to have ceased during 2018 and so no grant was issued. West Midlands Housing Group underwent major changes in 2019, relaunching itself as Citizen (now based in Birmingham). Evidence produced by the Director of Care and Support at West Midlands Housing Group in July 2019 demonstrated to the trustees' satisfaction that the work for which we had committed funds for 2018 had in fact been delivered, and so the final grant of £70,000 for 2018 was paid retrospectively, marking the end of that funding round. SHYPP/West Midlands Housing Group had previously been advised that we would cease funding at the end of the current funding round, so this marked the end of our commitment to that work. We have been proud to support vulnerable young people through SHYPP for a number of years, but the changes to how that work was being delivered, and the loss of a Hereford management base and locally recognisable 'brand', mean that we are unlikely to consider it again in the near future.

The trustees in 2018 agreed to fund a three-year fixed term contract through the Vennture Charity for a leader for the daytime street work among vulnerable, homeless and needy people in Hereford city centre. Vennture was provided with £28,808 in 2019 to recruit and deliver this role. There have been some ups and downs in the delivery of this worthwhile project, but we have kept faith with it because our funding has been key to its continuance and the delivery of real help to vulnerable people, and clear results are now being seen as the daytime street presence has grown.

For the year ended 31 December 2019, net income before investment gains amounted to a deficit of £53,000 (2018: deficit of £116,935).

The trustees arranged for a formal revaluation of all their properties as at 31st December 2018 and this was revisited at 31st December 2019. This revaluation at the year-end gave rise to an unrealised loss on the investment properties of £130,000 (2018 a gain of £3,110,972).

The properties covered by the valuation are as follows: -

- 1-6 St Ethelbert's Hospital, Hereford (social housing provided by the Charity);
- 1-16 St Katherine's Hospital, Ledbury (social housing provided by the Charity);
- 17 St Katherine's Hospital, Ledbury (guest flat);
- St Katherine's Chapel and Hall, Ledbury;
- Nos 15-17 Broad Street, Hereford;
- No 18 Broad Street, Hereford;
- No 4 & No 6 St Ethelbert Street, Hereford;
- Hidelow & Copley Farm, Acton Beauchamp, Herefordshire;
- Land at Lyde & Almshall, Hereford.

Funds

The Statement of Financial Activities summaries the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Risk & Risk Management

The main risk the charity faces is poor return on investment assets. The trustees feel this is mitigated as mentioned above. Without the investment income, the properties would not be able to be maintained to an appropriate standard. The trustees keep this under review at all times.

The impact of Covid-19 on the economy reduced the value of the charity's investments to £6,002,530 at 31st May 2020, a decrease of £656,653 since the date of the balance sheet. The trustees do not believe that this will have any material impact on the ability of the charity to meet its obligations for the year ending 2020.

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Public Benefit

The Charity aims to alleviate poverty by the provision of almshouse accommodation for brethren and sisters and in relieving either generally or individually persons who are in need, hardship or distress.

Within the scope of the charity's purposes for the relief of 'need, hardship or distress' the trustees give financial support for agencies working among the needy and vulnerable in the city of Hereford.

In determining the charitable activity undertaken the trustees have had due regard to the guidance of the Charity Commission as required under section 17 of the Charities Act 2011.

FUTURE PLANS

The alms houses will continue to be suitably maintained. Trustees are considering funding structural improvements during 2020 to the properties at St Katherine's which will reduce energy costs in line with government energy policies.

The Charity donated a further £70,000 to SHYPP during 2018 conditional on the charity carrying out night time and evening work across SHYPP foyers in Hereford, Ross-on-Wye and Leominster. This was paid retrospectively in 2019 once the trustees were satisfied that the work had been delivered (following restructuring of SHYPP's parent body and changes to the pattern of care in the foyers).

Funding for the Vennture post has two further years to run.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Scheme dated 19 December 1962.

Recruitment and appointment of new trustees

Members of the Chapter of Hereford Cathedral are automatically appointed trustees of the Charity. Mr Richard Price retired as a trustee during the year.

Organisational structure

The Charity is managed by a Board of Trustees.

The trustees are responsible for the overall strategy and financial commitments of the Charity and are supported in this by the wardens who oversee the day-to-day operations of the Charity.

Induction and training of new trustees

New members of Chapter are briefed on their duties as trustees as appropriate and attend courses covering the responsibilities of trustees.

Related parties

The Chapter of Hereford Cathedral is a Trustee of the Charity and provides the Charity with office and management support.

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Rent Policy

The trustees will consider and agree the rental charges annually for each forthcoming year having regard to inflation and other relevant factors. A small rise in the Monthly Maintenance Payment of 4% (in line with the Consumer Price Index +1%) was made in November 2019 and the need for further increases will be reviewed annually.

Repairs and Maintenance Policy

Following each quinquennial review for all properties, the trustees will consider and agree priorities and formulate a works programme to carry out the necessary repairs. Work is on-going to improve the heating at St Katherine's, to reduce both use and cost of energy.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
218575

Principal address
5 College Cloisters
The Close
Hereford
Herefordshire
HR1 2NG

Trustees

The Trustee of the Charity who has day to day management responsibility is The Chapter of Hereford Cathedral, whose members at 31 December 2019 are listed below:

The Very Revd M E Tavinor
The Revd Canon A Piper
The Revd Canon C Pullin
Canon B Forrester OBE
Canon B Gratton
Canon N Harvey
Canon R Price (Retired 7th October 2019)

Auditors

Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Solicitors

Farrer and Co LLP
66 Lincoln's Inn Fields
London, WC2A 3HL

Bankers

Lloyds Bank plc
8 High Town
Hereford, HR1 2AE

Investment Advisers

Rathbone Investment Management Ltd
8 Finsbury Circus
London, EC2M 7AZ

Investment Powers

The trustees have wide powers of investment

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 25th June 2020. and signed on its behalf by:



.....
The Very Revd M E Tavinor - On behalf of The Chapter of Hereford Cathedral

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF SAINT KATHERINE AND SAINT ETHELBERT

Opinion

We have audited the financial statements of Hereford Cathedral Almshouse Charity of Saint Katherine and Saint Ethelbert for the year-ended 31 December 2019 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, 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 charity's affairs as at 31 December 2019 and of the charity's net movement in funds 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 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. 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 Auditor's 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 UK, including the FRC'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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees 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 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.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

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 auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the [group's or the parent] charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT (CONT...)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors
10 July 2020

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 Unrestricted Funds £	31.12.18 Total Funds £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	-	-
Charitable activities	4		
Social housing		22,258	21,588
Investment income	3	264,506	227,835
Other income		-	-
Total		<u>286,764</u>	<u>249,423</u>
EXPENDITURE ON:			
Raising funds	5	79,628	190,569
Charitable activities	6		
Social housing		260,136	175,789
Total		<u>339,764</u>	<u>366,358</u>
Deficit before gains		(53,000)	(116,935)
Net gains/(losses) on investments	11,12	872,683	(392,565)
(Loss)/gain on revaluation of investment property		(130,000)	2,045,000
NET INCOME		<u>689,683</u>	<u>1,535,500</u>
Gain on revaluation of tangible fixed assets	10	-	1,065,972
Net movement in funds		<u>689,683</u>	<u>2,601,472</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>10,236,902</u>	<u>7,635,430</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>10,926,585</u></u>	<u><u>10,236,902</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

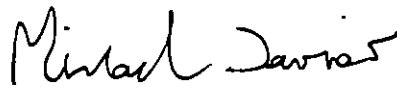
**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 Unrestricted Funds £	31.12.18 Total Funds £
FIXED ASSETS			
Tangible assets	10	1,110,663	1,110,663
INVESTMENTS			
Investments	11	6,659,183	6,016,514
Investment property	12	2,775,000	2,905,000
		<u>10,544,846</u>	<u>10,032,177</u>
CURRENT ASSETS			
Debtors	13	36,885	20,473
Cash at bank		379,426	226,758
		<u>416,311</u>	<u>247,231</u>
CREDITORS			
Amounts falling due within one year	14	(34,572)	(42,506)
NET CURRENT ASSETS		<u>381,739</u>	<u>204,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,926,585</u>	<u>10,236,902</u>
		<u>10,926,585</u>	<u>10,236,902</u>
NET ASSETS		<u>10,926,585</u>	<u>10,236,902</u>
FUNDS			
Unrestricted funds		<u>10,926,585</u>	<u>10,236,902</u>
TOTAL FUNDS		<u>10,926,585</u>	<u>10,236,902</u>

The notes form part of these financial statements

The financial statements were approved by the Board of Trustees on 25th June 2020 and were signed on its behalf by:



.....
The Very Revd M E Tavinor - On behalf of The Chapter of Hereford Cathedral

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities:			
Cash generated from operations	1	(341,852)	(333,523)
Net cash (used in) operating activities		<u>(341,852)</u>	<u>(333,523)</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(1,542,198)	(415,468)
Sale of fixed asset investments		1,702,107	485,050
Rental income received		78,361	66,244
Movement on cash in investments		70,105	(42,520)
Dividends received		186,145	161,454
Net cash provided/(used in) by investing activities		<u>494,520</u>	<u>254,760</u>
Change in cash and cash equivalents in the reporting period		152,668	(78,763)
Cash and cash equivalents at the beginning of the reporting period		<u>226,758</u>	<u>305,521</u>
Cash and cash equivalents at the end of the reporting period		<u><u>379,426</u></u>	<u><u>226,758</u></u>

The notes form part of these financial statements

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.19	31.12.18
	£	£
Net income for the reporting period (as per the statement of financial activities)	689,683	2,601,472
Adjustments for:		
Net (gains)/ losses on investment property revaluations	130,000	(1,652,615)
Net (gains)/ losses on fixed asset investments	(872,683)	(1,065,972)
Profit on disposal of fixed assets	-	-
Dividends received	(186,145)	(161,454)
Rental income received	(78,361)	(66,244)
Decrease/(increase) in debtors	(16,412)	(8,611)
Increase in creditors	(7,934)	19,901
Net cash provided by (used in) operating activities	<u>(341,852)</u>	<u>(333,523)</u>

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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) (second edition effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The accounts adopt a going concern basis and the trustees consider that there is no material uncertainty in connection with the charity's ability to continue as a going concern given the level of assets held.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Support costs are general and overhead costs which are not specific to governance, costs of generating funds or direct charitable activities but which enable these activities to be undertaken. These costs include office management costs and are allocated 50:50 over costs of generating funds and charitable activities based on time spent supporting these functions.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Where housing property has been financed wholly or partly by housing association or similar grants, the cost of property has been reduced by the amount of the grant received.

No provisions for depreciation of housing and non-housing properties have been made.

Section 17 of FRS 102 requires all non-investment properties to be depreciated over their anticipated useful lives.

However, the housing properties are not depreciated because their useful lives are considered to be well in excess of 100 years and any deprecation charges would be immaterial. To introduce a deprecation charge would not add to the true and fair view presented in the accounts. An annual review is carried out by the trustees to ensure that this is still the case.

Non-housing properties are classed as investment properties and are shown at their market value as at the balance sheet date.

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES - continued

Investment

Investments are stated at market value at the balance sheet date. Any gain or loss on revaluation or sale is taken to the Statement of Financial Activities (SOFA).

Investment properties are formally valued periodically and an annual review is performed by the trustees to ensure their current value is adequately reflected.

Cash at bank and in hand

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

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Taxation

The charity is not generally liable to corporation tax on its surplus. The charity is not registered for Value Added Tax purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	31.12.19	31.12.18
	£	£
Donations	-	-

3. INVESTMENT INCOME

	31.12.19	31.12.18
	£	£
Property	58,434	66,244
Wayleave	19,927	137
Investments	186,145	161,454
	<u>264,506</u>	<u>227,835</u>

HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

4. INCOME FROM CHARITABLE ACTIVITIES					
				31.12.19	31.12.18
				£	£
Social housing	Activity	Social housing		22,258	21,588
				<u> </u>	<u> </u>
5. RAISING FUNDS					
				31.12.19	31.12.18
				£	£
Investment property costs				47,029	156,287
				<u> </u>	<u> </u>
				£	£
Investment management cost				32,599	34,282
				<u> </u>	<u> </u>
Total cost of raising funds				<u>79,628</u>	<u>190,569</u>
6. CHARITABLE ACTIVITIES COSTS					
		Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
		£	£	£	£
Social housing		157,578	98,808	3,750	260,136
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
7. GRANTS PAYABLE					
				31.12.19	31.12.18
				£	£
Social housing				98,808	23,670
				<u> </u>	<u> </u>
The total grants paid to institutions during the year were as follows:					
				31.12.19	31.12.18
				£	£
SHYPP				70,000	-
Vennture				28,808	23,670
				<u> </u>	<u> </u>
				98,808	23,670
				<u> </u>	<u> </u>
8. SUPPORT COSTS					
					Governance costs
					£
Social housing					3,750
					<u> </u>

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

Trustees' expenses for the year ended 31 December 2019 were £56 (2018: £8).

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2019	1,110,663
Revaluation in the year	-
	<u>1,110,663</u>
At 31 December 2019	<u>1,110,663</u>
 NET BOOK VALUE	
At 31 December 2019	<u>1,110,663</u>
At 31 December 2018	<u>1,110,663</u>

The expected useful lives of the housing properties are not depreciated because their useful lives are considered to be well in excess of 100 years and any depreciation charge would be immaterial.

11. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2019	5,899,964	116,550	6,016,514
Additions	1,542,198	-	1,542,198
Disposals	(1,702,107)	-	(1,702,107)
Revaluations	872,683	-	872,683
Movement on cash	-	(70,105)	(70,105)
	<u>6,612,738</u>	<u>46,445</u>	<u>6,659,183</u>
At 31 December 2019	<u>6,612,738</u>	<u>46,445</u>	<u>6,659,183</u>
 NET BOOK VALUE			
At 31 December 2019	<u>6,612,738</u>	<u>46,445</u>	<u>6,659,183</u>
At 31 December 2018	<u>5,899,964</u>	<u>116,550</u>	<u>6,016,514</u>

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. FIXED ASSET INVESTMENTS (continued)

There were no investment assets outside the UK.

Historical cost of investments (excluding cash) £5,520,412 (2018: £5,574,252)

All investments are listed on a recognised stock exchange and are held in the United Kingdom.

The holding of Findlay Park American Unhedged fund (£392,174) was the only investment over 5% of the total market value of investments.

At 31st May 2020 the total market value of investments was £6,002,530.

12. INVESTMENT PROPERTY

Investment Property	Freehold Land £	Freehold Building £	Total £
Cost, valuation or nominal value			
At 1 January 2019	1,760,000	1,145,000	2,905,000
Revaluation in the year	0	(130,000)	(130,000)
	<u>1,760,000</u>	<u>1,015,000</u>	<u>2,775,000</u>
At 31 December 2019	<u>1,760,000</u>	<u>1,015,000</u>	<u>2,775,000</u>
Represented by:			
Nominal value	3	4	7
Cost	3	-	3
Revaluation	1,759,994	1,014,996	2,774,990
	<u>1,760,000</u>	<u>1,015,000</u>	<u>2,775,000</u>

The land and buildings were formally revalued by Fisher German (estate agents, valuers and surveyor) at 31 December 2018. The valuation was reviewed by Fisher German as at 31 December 2019. The trustees are not aware of any material change in the current carrying value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Other debtors	36,885	20,473
	<u>36,885</u>	<u>20,473</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade Creditors	19,322	34,220
Accruals and deferred income	15,250	8,286
	<u>34,572</u>	<u>42,506</u>

**HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. MOVEMENT IN FUNDS

2019	At 1.1.19	Net movement in funds	At 31.12.19
	£	£	£
Unrestricted funds			
General fund	9,934,094	718,523	10,652,617
Major Repairs Designated Fund	302,808	(28,840)	273,968
	<u>10,236,902</u>	<u>689,683</u>	<u>10,926,585</u>
TOTAL FUNDS	<u>10,236,902</u>	<u>689,683</u>	<u>10,926,585</u>

Net movement in funds, included in the above are as follows:

2019	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	286,764	(274,359)	706,118	718,523
Major Repairs Designated Fund	-	(65,405)	36,565	(28,840)
	<u>286,764</u>	<u>(339,764)</u>	<u>742,683</u>	<u>689,683</u>
TOTAL FUNDS	<u>286,764</u>	<u>(339,764)</u>	<u>742,683</u>	<u>689,683</u>

HEREFORD CATHEDRAL ALMSHOUSE CHARITY OF
SAINT KATHERINE AND SAINT ETHELBERT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

15. MOVEMENT IN FUNDS - continued

2018	At 1.1.18	Net movement in funds	At 31.12.18
	£	£	£
<i>Unrestricted funds</i>			
General fund	7,116,312	2,817,782	9,934,094
Major Repairs Designated Fund	519,118	(216,310)	302,808
	<u>7,635,430</u>	<u>2,601,472</u>	<u>10,236,902</u>
TOTAL FUNDS	<u>7,635,430</u>	<u>2,601,472</u>	<u>10,236,902</u>

Net movement in funds, included in the above are as follows:

2018	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
<i>Unrestricted funds</i>				
General fund	249,423	(187,759)	2,756,118	2,817,782
Major Repairs Designated Fund	-	(178,599)	(37,711)	(216,310)
	<u>249,423</u>	<u>(366,358)</u>	<u>2,718,407</u>	<u>2,601,472</u>
TOTAL FUNDS	<u>249,423</u>	<u>(366,358)</u>	<u>2,718,407</u>	<u>2,601,472</u>

The General Fund exists to support the day to day running costs of the charity and has designated for other purposes.

The major repair reserve provides funds to meet the future major repairs through an annual transfer, at a level determined by periodic review by the Charity Commissioners and trustees.

16. GRANT COMMITMENTS

During the year, the charity made a grant to Vennture totalling £28,808, and has committed in principle to a further £28,940 for 2020. This amount is not accrued at the balance sheet date as the grant agreement is performance-related.

17. RELATED PARTY DISCLOSURES

The Trustees of the charity are also members of The Dean and Chapter of Hereford Cathedral, which itself is also a trustee of the charity.

During the year the charity was charged £41,687 (2018: £30,828) by The Chapter of Hereford Cathedral in relation to staff costs and management expenses. There was a balance outstanding at the year-end due to The Chapter of Hereford Cathedral of £13,487 (2018: £30,828).