

REGISTERED CHARITY NUMBER: 218738

Report of the Trustees and  
Financial Statements for the Year Ended 31 December 2016  
for  
Hereford Municipal Charities

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Hereford Municipal Charities

Contents of the Financial Statements  
for the Year Ended 31 December 2016

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11 to 16
Detailed Statement of Financial Activities	17 to 18

## Hereford Municipal Charities

### Report of the Trustees for the Year Ended 31 December 2016

The trustees present their report with the financial statements of the charity for the year ended 31 December 2016. 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).

#### **ADMINISTRATIVE INFORMATION**

**Charity No:** 218738

**Main Office:** 147, St. Owen Street, Hereford, HR1 2JR.

#### **Names of Trustees:**

Cllr Polly Andrews (from June 2016)  
Cllr Martin Baker  
Mr Alan G. Blake (resigned January 2017)  
Cllr Susan Boulter  
Mrs Jennifer Davies  
Mr Derek Duffett (Chairman)  
Mrs Elizabeth Evans (until May 2016)  
Mrs Jean Franzen  
Cllr Katherine Hey  
Mrs Jennifer Holmes  
Cllr Marcelle Lloyd Hayes  
Mrs Marian Hawkes  
Mr Ken Rayner (until May 2016)\*  
Mr R Sockett (from June 2016)

\*The Trustees were saddened to learn of the death of Mr Ken Rayner in July 2016.

**Chief Executive Officer and Clerk:** Dr Thomas Roderick, BA, PhD, PGCE, MIL

**Accounts Administrator and General Assistant:** Mrs Heather Hughes

**Bankers:** National Westminster Bank plc, Broad Street, Hereford, HR4 9AH

**Solicitors:** To be appointed

**Auditors:** Thorne Widgery, 2 Wye Vale Business Park, Kings Acre, Hereford, HR4 7BS

**Investment Advisers:** CCLA Investment Management Ltd, Cheapside, London

**Land Agents:** Sunderland and Thompsons, St. Peter's Square, HR1 2PQ

**Architect:** B S Hapgood Associates (Design and Planning), 96 Monnow St, Monmouth, NP25 3EQ

#### **GOVERNANCE**

**Governing Instrument:** Charity Commission Scheme sealed on 24th April 1972

**Trustees:** The Board of Trustees consists of 12 competent persons, namely, four Nominative Trustees and eight Co-optative Trustees.

Nominative Trustees are appointed by the Parish Council of the City of Hereford (or its appropriate successor). Each appointment is made for a term of four years.

Co-optative Trustees are appointed for five years by a resolution of the Co-optative Trustees, passed at a Special Meeting of Trustees; Trustees whose terms are expiring may not vote on the matter.

**Meetings:** General Meetings are normally held five times a year.

**Chairman and Deputy Chairman:** the Trustees, at their first meeting in each year (Annual General Meeting), elect one of their number to be Chairman until the commencement of the following year, and similarly with regard to a Deputy Chairman. At the AGM in January 2016, Mr Derek Duffett was elected as Chairman and Mrs Elizabeth Evans as Deputy Chairman, until her retirement in May 2016, when Mrs Jean Franzen became Deputy Chairman.

## Hereford Municipal Charities

### Report of the Trustees for the Year Ended 31 December 2016

**Special meetings:** a Special Meeting may be summoned by the Chairman or by two Trustees upon four days' notice being given to the other Trustees of the matter to be discussed, but, if the matters include an appointment of a Co-optative Trustee, then upon not less than 21 days' notice being so given.

**Quorum:** there is a quorum when five Trustees are present at a meeting.

**Voting:** every meeting is determined by the majority of votes of the Trustees present. In the case of an equality of votes, the Chairman has a casting vote.

## **COMMITTEES**

The Trustees appoint as many committees as they think fit for the administration of the Charities. All acts and proceedings of the committees are reported to a General Meeting of the Board of Trustees for confirmation. At present, there are the following Committees:

### Almshouse Branch

**Executive Committee:** this comprises five Trustees, including the Chairman of the Board, and deals with all aspects of the management of the Almshouses between General Meetings. It usually meets four times a year.

**Pastoral Committee:** this comprises four Trustees and deals with the selection and appointment of residents and their subsequent welfare. It meets as necessary.

### Eleemosynary and Educational Branches

**Grants Committee:** this comprises two Trustees and deals with the applications submitted for grants under the above Funds, normally interviewing applicants. It meets five times a year, though the Chairman of the Board of Trustees has executive authority to deal with urgent applications between meetings as necessary.

## **MANAGEMENT**

**Chief Executive Officer and Clerk:** the Trustees appoint a fit person for the day-to day running of the Trustees' business and provide suitable office accommodation and ancillary support for the efficient running of the Trustees' affairs. The current appointee is Dr Thomas Roderick.

**Chaplain:** the Trustees appoint a Minister of Religion as Chaplain of St. Giles' and Williams' Hospitals (currently the Incumbent of St Peter's Church, Hereford) and another Minister of Religion as Chaplain of Price's Chapel (currently the Rev'd Lynne Davis). The Trustees pay an honorarium to each of the Chaplains.

**Good Neighbours:** the Trustees have designated the following residents to be the Good Neighbours at the two sites in order to provide support and assistance to the residents:

\* St Owen St/Ledbury Rd: Mrs Susan Cook

\* Whitecross: Mrs Susan Davies and Ms Anne Sterling

## **RISK ASSESSMENT**

The major risks to which the Charity is exposed are identified and reviewed periodically by the Trustees. They have approved and implemented financial controls and have concluded that the risk of material financial fraud is low. They review annually comprehensive insurance policies and are satisfied that these are suitable for their purpose.

## Hereford Municipal Charities

### Report of the Trustees for the Year Ended 31 December 2016

#### **OBJECTIVES**

The Charities consolidated by the Charity Commission Scheme of 1972 were established over many centuries to provide charitable relief and housing to needy citizens of the City of Hereford. Their current purpose is similar in so far as current needs demand. The Trustees are able to make small charitable grants to people living within the official boundary of Hereford City. The Trustees set guidelines to their Grants Committee in accordance with the funds available in any given year and the Committee interviews applicants.

#### **ALMSHOUSE RESIDENTS**

During the year, five residents died (Miss J Burborough, Mr G Fish, Mrs J Laurie, Mrs J Lea and Mr C Went) and two residents moved away (Mr F Booton and Mrs R Power). The resultant vacancies were filled either by internal transfers or by appointing new residents.

#### **FINANCIAL REVIEW**

##### **Summary results**

The results for the year show a surplus of £529,730 (2015: £149,661), after investment gains of £407,231 (2015: £27,456). Net assets amounted to £5,041,164 (2015: £4,511,434). There has been an increase in Almshouse Income of 5.69% (2015: 7.07%), which helped to support the continuing programme of repairs and maintenance. Dividend income increased slightly, while the overall market value of listed investments is up by 9.03% (2015: 1.13%).

Further details can be seen in the Achievements and Performance section of this report and in the Statement of Financial Activities in the Accounts for 2016.

##### **Investments Policy**

The investments in stocks and shares are managed by CCLA (Church, Charity and Local Authority) Investment Management Limited. The Trustees' investment policy is, in conjunction with charges to residents, to provide sufficient income to maintain and improve their properties and to enhance the value of invested funds for the benefit of residents now and in the future. The Charities' investments are managed by CCLA according to guidelines agreed by the Trustees. CCLA has an ethical policy to which the Trustees subscribe.

The Trustees review the investments with CCLA annually to ensure that they meet the needs of the Charities, making changes as necessary in consultation with their professional advisers.

The Almshouse Branch owns one farm (Nunsland), managed by a resident farmer (Mark Bufton) and inspected by a professional Farm Agent. The Trustees are supportive landlords and usually pay at least 25% of income in farm improvements. The surplus subsidises the Almshouse Branch. The farm's value was reviewed by the Trustees' Land Agent at the end of the year. It saw an increase in value from £650K seven years ago to £825K as at 31 December 2016.

##### **Reserves Policy**

The Charity Annual Return excludes permanent endowment, restricted funds and designated funds. There remain only unrestricted funds. The Trustees wish to retain these at a level equivalent to one year's income.

##### **Administrative costs**

The Trustees ensure that the administrative and staffing costs of the Trust are under a tight rein and are kept as low as possible consistent with effective management and control. The Trustees would like to place on record their grateful thanks to the staff for their dedication and hard work on behalf of the Trust.

## **ACHIEVEMENTS AND PERFORMANCE (2016)**

As in previous years, the Trustees approved a wide range of long term maintenance improvements during 2016. This included major adaptations to almshouses whenever they became vacant, including the installation of wet rooms and the fitting of new kitchen units. The Trustees also agreed to the replacement of the external doors in Ledbury Road which had been deteriorating for some time and to replacement of the windows and external doors of the bungalows at 14-19 Bricknell Close. The grounds and gardens at both sites were kept in good condition by employing a contractor to cut and maintain the grass, trees and hedges.

The office and garage at the Whitecross site, which had become redundant, were converted in the year into two almshouse flats. Following a competitive tendering exercise, Owen Pell Ltd of Hereford was appointed as the main contractor. Preliminary work on demolishing the office and garage started just before Easter and the new flats were handed over for occupation in the autumn. The first residents moved in at the end of October 2016. The new flats have been named the 'John Ellis Almshouses', in recognition of the remarkable service which Mr John Ellis devoted to the charitable trust for more than 35 years, during which he served as Chairman for 13 years. The Trustees agreed that there should be an official opening of the new almshouses in March 2017. The Lord Lieutenant of Herefordshire (Countess Darnley) kindly agreed to officiate. A fuller account will be found in next year's Annual Report.

The residents continued to enjoy a variety of benefits, including the Annual Christmas Luncheon, which was held again at the stunning Chase Hotel (Ross on Wye) and which is always a well-supported and enjoyable event. In addition, the group television licence was renewed, thereby allowing those in residence before 2012 to watch television without paying for their own licence.

The other main activity of the Trustees is to provide grants to residents of the City of Hereford in order to relieve poverty and assist in their educational aspirations. There are two separate funds (Eleemosynary and Educational) administered by the Grants Committee in accordance with the policy guidelines approved by the Trustees. This Committee comprises two Trustees from the main Board who take it in turn to attend meetings.

## **PLANS FOR THE FUTURE (2017 AND BEYOND)**

In recent years, the Trustees have held an Away Day in a local hotel, in order to give long term consideration to issues without the encumbrance of the formality of General Meetings. At these sessions, the Trustees are joined not only by the Officers but also by the Auditor as well as an adviser from CCLA, the investment managers, and other advisers as necessary. These occasions have proved to be very useful in enabling the Trustees to discuss long term matters and to plan future policy for the Trust in an informal manner.

During 2016, the Trustees set up a new committee (Working Group on Almshouse Repairs and Maintenance) to monitor the building condition of the almshouses, to prepare a repairs and maintenance schedule for the almshouses and to advise the Board of Trustees as necessary. The Working Group will begin its task in 2017.

## **FUNDAMENTALS OF THE CHARITIES**

The Charities do not fund raise or actively seek bequests. Benevolent citizens have made bequests for six centuries, including up to the present day. It is not within the Trustees' remit to compete with charities whose aims are more immediate and ephemeral.

## **PUBLIC BENEFIT**

The Charities meet the public benefit test by providing social housing, at a subsidised cost, for elderly residents of the City of Hereford. They also assist in the relief of poverty, through the provision of grants to needy residents of the City for essential household items of furniture, and in helping the education and training of residents through grants for course/training fees and materials.

## **CONCLUSION**

This has been a busy year for the Trustees. Finances are in good condition. Given the capital injection of money which has taken place in the recent past, the Trustees have used the opportunity to make long term structural improvements to the Almshouses, which will help to ensure their future sustainability. At the same time, the capital value of the permanent endowments is being maintained and enhanced. They date from the establishment of St Giles's Hospital in 1290 and the Trustees have looked after them over many centuries for the benefit of the Almshouse residents and the citizens of Hereford.

**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).

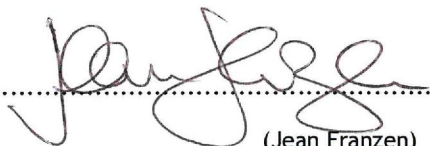
The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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;
- 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 THE TRUSTEES AT THE GENERAL MEETING HELD ON 23 MAY 2017 AND SIGNED ON THEIR BEHALF BY THE CHAIRMAN AND THE DEPUTY CHAIRMAN

Signed:.......... (Chairman)  
(Derek Duffett)

Signed:.......... (Deputy Chairman)  
(Jean Franzen)

23 May 2017

Report of the Independent Auditors to the Trustees of  
Hereford Municipal Charities

We have audited the financial statements of Hereford Municipal Charities for the year ended 31 December 2016 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

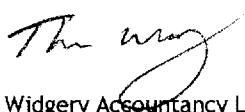
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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.



Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: .....23/5/17.....



Hereford Municipal Charities

Statement of Financial Activities  
for the Year Ended 31 December 2016

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.16 Total funds £	31.12.15 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Charitable activities</b>						
Almshouse income		248,942	-	-	248,942	235,538
Investment income	2	<u>114,909</u>	<u>83</u>	<u>-</u>	<u>114,992</u>	<u>113,647</u>
<b>Total</b>		<b>363,851</b>	<b>83</b>	<b>-</b>	<b>363,934</b>	<b>349,185</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Charitable activities	3	2,234	-	-	2,234	2,109
Grants payable		27,521	-	-	27,521	24,025
Almshouse expenditure		<u>211,680</u>	<u>-</u>	<u>-</u>	<u>211,680</u>	<u>200,846</u>
<b>Total</b>		<b>241,435</b>	<b>-</b>	<b>-</b>	<b>241,435</b>	<b>226,980</b>
Net gains/(losses) on investments		<u>27,645</u>	<u>-</u>	<u>379,586</u>	<u>407,231</u>	<u>27,456</u>
<b>NET INCOME</b>		<b>150,061</b>	<b>83</b>	<b>379,586</b>	<b>529,730</b>	<b>149,661</b>
Transfers between funds	13	<u>(90,360)</u>	<u>-</u>	<u>90,360</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>59,701</b>	<b>83</b>	<b>469,946</b>	<b>529,730</b>	<b>149,661</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		<u>622,332</u>	<u>485,091</u>	<u>3,404,011</u>	<u>4,511,434</u>	<u>4,361,773</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>682,033</u></b>	<b><u>485,174</u></b>	<b><u>3,873,957</u></b>	<b><u>5,041,164</u></b>	<b><u>4,511,434</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

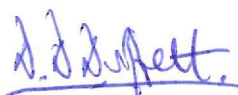
The notes form part of these financial statements

Hereford Municipal Charities

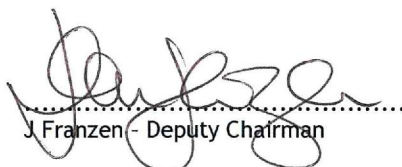
Balance Sheet  
At 31 December 2016

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.12.16 Total funds £	31.12.15 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	7	-	480,932	578,767	1,059,699	969,339
<b>Investments</b>						
Investments	8	-	-	2,470,190	2,470,190	2,265,604
Investment property	9	-	-	825,000	825,000	650,000
		-	480,932	3,873,957	4,354,889	3,884,943
<b>CURRENT ASSETS</b>						
Debtors	10	54,977	-	-	54,977	51,706
Investments	11	225,491	-	-	225,491	197,846
Cash at bank		409,613	4,242	-	413,855	385,122
		690,081	4,242	-	694,323	634,674
<b>CREDITORS</b>						
Amounts falling due within one year	12	(8,048)	-	-	(8,048)	(8,183)
<b>NET CURRENT ASSETS</b>		682,033	4,242	-	686,275	626,491
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		682,033	485,174	3,873,957	5,041,164	4,511,434
<b>NET ASSETS</b>		682,033	485,174	3,873,957	5,041,164	4,511,434
<b>FUNDS</b>	13					
Unrestricted funds					682,033	622,332
Restricted funds					485,174	485,091
Endowment funds					3,873,957	3,404,011
<b>TOTAL FUNDS</b>					5,041,164	4,511,434

The financial statements were approved by the Board of Trustees on 23 May 2016 and were signed on its behalf by:



.....  
D Duffett - Chairman



.....  
J Franzen - Deputy Chairman

The notes form part of these financial statements

Hereford Municipal Charities

Cash Flow Statement  
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>4,101</u>	<u>21,677</u>
<b>Net cash provided by (used in) operating activities</b>		<u>4,101</u>	<u>21,677</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(90,360)	-
Rent received		16,611	16,511
Interest received		<u>98,381</u>	<u>97,136</u>
<b>Net cash provided by (used in) investing activities</b>		<u>24,632</u>	<u>113,647</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>28,733</u>	<u>135,324</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>385,122</u>	<u>249,798</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>413,855</u>	<u>385,122</u>

The notes form part of these financial statements

Hereford Municipal Charities

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2016

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.12.16	31.12.15
	£	£
Net income for the reporting period (as per the statement of financial activities)	529,730	149,661
Adjustments for:		
Gain on investments	(407,231)	(27,456)
Interest received	(98,381)	(97,136)
Rent received	(16,611)	(16,511)
(Increase)/decrease in debtors	(3,271)	17,129
Decrease in creditors	(135)	(4,010)
Net cash provided by (used in) operating activities	<u>4,101</u>	<u>21,677</u>

The notes form part of these financial statements

**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) (effective 1 January 2015)', 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.

**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.

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.

**Allocation and apportionment of costs**

75% of the salaries of the clerk and the assistant clerk, and related office costs are regarded as directly related to charitable activity.

**Tangible fixed assets**

Almshouses, which are inalienable, are included in the balance sheet at a valuation made in 1972 at the time of the establishment of the Charity Commission Scheme.

Almshouses built since the 1972 scheme are included at cost, and are not depreciated.

Freehold property is not depreciated, as it is considered that the remaining useful economic life of the property is of such a length that any depreciation charge would be immaterial.

All expenditure of repair, improvement or enhancement of freehold properties is written off in the year in which it is incurred.

**Investment property**

The Farm property is stated at the professional valuation of Sunderlands & Thompsons LLP, Chartered Surveyors at 31 December 2016.

**Taxation**

The charity is exempt from tax on its charitable activities.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

**1. ACCOUNTING POLICIES - continued**

**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.

Restricted Funds are made up of the following:

The Almshouse Fund consists of the Housing Association grant towards the construction of new almshouses.  
The Muriel Fildes legacy has been provided for the purpose of fostering and promoting musical education and the knowledge and appreciation of music in the City of Hereford.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Listed investments**

Listed investments are stated at market valuation as at the Balance Sheet date.

**2. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.16 Total funds £	31.12.15 Total funds £
Rents received	16,611	-	-	16,611	16,511
Dividends and interest	<u>98,298</u>	<u>83</u>	<u>-</u>	<u>98,381</u>	<u>97,136</u>
	<u>114,909</u>	<u>83</u>	<u>-</u>	<u>114,992</u>	<u>113,647</u>

**3. RAISING FUNDS**

**Investment management costs**

	Unrestricted funds £	Restricted funds £	Endowment funds £	31.12.16 Total funds £	31.12.15 Total funds £
Investment management costs	<u>2,234</u>	<u>-</u>	<u>-</u>	<u>2,234</u>	<u>2,109</u>

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

# Hereford Municipal Charities

## Notes to the Financial Statements - continued for the Year Ended 31 December 2016

### 5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Administrative staff	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

### 6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Charitable activities				
Almshouse income	235,538	-	-	235,538
Investment income	<u>113,565</u>	<u>82</u>	<u>-</u>	<u>113,647</u>
<b>Total</b>	<b>349,103</b>	<b>82</b>	<b>-</b>	<b>349,185</b>
<b>EXPENDITURE ON</b>				
Raising funds	2,109	-	-	2,109
Charitable activities				
Grants payable	24,025	-	-	24,025
Almshouse expenditure	<u>200,846</u>	<u>-</u>	<u>-</u>	<u>200,846</u>
<b>Total</b>	<b>226,980</b>	<b>-</b>	<b>-</b>	<b>226,980</b>
<b>Net gains/(losses) on investments</b>	<u>2,058</u>	<u>-</u>	<u>25,398</u>	<u>27,456</u>
<b>NET INCOME</b>	<b>124,181</b>	<b>82</b>	<b>25,398</b>	<b>149,661</b>
<b>Transfers between funds</b>	<u>(80,036)</u>	<u>77,021</u>	<u>3,015</u>	<u>-</u>
<b>Net movement in funds</b>	<b>44,145</b>	<b>77,103</b>	<b>28,413</b>	<b>149,661</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>578,187</u>	<u>407,988</u>	<u>3,375,598</u>	<u>4,361,773</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><b>622,332</b></u>	<u><b>485,091</b></u>	<u><b>3,404,011</b></u>	<u><b>4,511,434</b></u>

The notes form part of these financial statements

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

**7. TANGIBLE FIXED ASSETS**

	Housing Association Property £	Almshouse Property £	Totals £
<b>COST</b>			
At 1 January 2016	480,932	488,407	969,339
Additions	-	90,360	90,360
At 31 December 2016	<u>480,932</u>	<u>578,767</u>	<u>1,059,699</u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>480,932</u>	<u>578,767</u>	<u>1,059,699</u>
At 31 December 2015	<u>480,932</u>	<u>488,407</u>	<u>969,339</u>

**8. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 January 2016	2,265,604
Revaluations	<u>204,586</u>
At 31 December 2016	<u>2,470,190</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>2,470,190</u>
At 31 December 2015	<u>2,265,604</u>

There were no investment assets outside the UK.

Investments comprise holdings in common investment funds managed by professional fund managers.

	31.12.2016 Market Value £	31.12.2016 Cost £
Investments		
Almshouse Branch	1,884,593	1,292,275
Eleemosynary Branch	501,827	306,424
William Brydges Charity	5,119	4,266
Apprenticing and Educational Branch	59,142	35,649
Herbert Gelder's Charity	<u>19,509</u>	<u>11,871</u>
	2,470,190	1,650,485
Farm properties	<u>825,000</u>	<u>53,476</u>
	<u>3,295,190</u>	<u>1,703,961</u>

The notes form part of these financial statements



**9. INVESTMENT PROPERTY**

	£
<b>MARKET VALUE</b>	
At 1 January 2016	650,000
Revaluation	<u>175,000</u>
At 31 December 2016	<u>825,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>825,000</u>
At 31 December 2015	<u>650,000</u>

The investment property consisting of land and buildings has not been depreciated in the year.

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.16 £	31.12.15 £
Trade debtors	-	1,533
Other debtors	<u>54,977</u>	<u>50,173</u>
	<u>54,977</u>	<u>51,706</u>

**11. CURRENT ASSET INVESTMENTS**

	31.12.16 £	31.12.15 £
Listed investments	<u>225,491</u>	<u>197,846</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.16 £	31.12.15 £
Trade creditors	992	938
Taxation and social security	1,056	1,245
Other creditors	<u>6,000</u>	<u>6,000</u>
	<u>8,048</u>	<u>8,183</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2016

## 13. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
<b>Unrestricted funds</b>				
Unrestricted fund	537,221	134,851	(90,360)	581,712
Designated Extraordinary repair fund	<u>85,111</u>	<u>15,210</u>	<u>-</u>	<u>100,321</u>
	622,332	150,061	(90,360)	682,033
<b>Restricted funds</b>				
Almshouse fund	480,932	-	-	480,932
Muriel Fildes' fund	<u>4,159</u>	<u>83</u>	<u>-</u>	<u>4,242</u>
	485,091	83	-	485,174
<b>Endowment funds</b>				
Endowment fund	<u>3,404,011</u>	<u>379,586</u>	<u>90,360</u>	<u>3,873,957</u>
<b>TOTAL FUNDS</b>	<u>4,511,434</u>	<u>529,730</u>	<u>-</u>	<u>5,041,164</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund	363,851	(241,435)	12,435	134,851
Designated Extraordinary repair fund	<u>-</u>	<u>-</u>	<u>15,210</u>	<u>15,210</u>
	363,851	(241,435)	27,645	150,061
<b>Restricted funds</b>				
Muriel Fildes' fund	83	-	-	83
<b>Endowment funds</b>				
Endowment fund	<u>-</u>	<u>-</u>	<u>379,586</u>	<u>379,586</u>
<b>TOTAL FUNDS</b>	<u>363,934</u>	<u>(241,435)</u>	<u>407,231</u>	<u>529,730</u>

## 14. CAPITAL COMMITMENTS

	31.12.16 £	31.12.15 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>138,673</u>

## 15. RELATED PARTY DISCLOSURES

Hereford Municipal Charities carries out the administration of the Millar Charity Fund (Charity No: 514381) and the Tudor Champion Fund (Charity No: 1035990). Certain direct costs relating to these charities are charged by Hereford Municipal Charities and in addition an appropriate share of administrative costs is also borne by these connected charities.

# Hereford Municipal Charities

## Detailed Statement of Financial Activities for the Year Ended 31 December 2016

	31.12.16 £	31.12.15 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Rents received	16,611	16,511
Dividends and interest	<u>98,381</u>	<u>97,136</u>
	114,992	113,647
<b>Charitable activities</b>		
Alms house income	<u>248,942</u>	<u>235,538</u>
<b>Total incoming resources</b>	363,934	349,185
<b>EXPENDITURE</b>		
<b>Investment management costs</b>		
Investment management costs	2,234	2,109
<b>Charitable activities</b>		
Repairs and maintenance	157,457	150,123
Grounds maintenance	4,450	3,802
Lighting	1,202	1,714
Alarm system and mobile warden	3,624	4,068
Good neighbour	8,436	7,315
Water	10,897	10,188
Insurance	6,370	6,138
Chaplain and chapel expenses	1,468	1,891
Subscriptions and TV licence	810	719
Residents' benefits	1,982	1,613
Grants to institutions	1,500	1,000
Grants to individuals	<u>11,037</u>	<u>9,751</u>
	209,233	198,322
<b>Support costs</b>		
<b>Other</b>		
Wages	13,886	13,115
Pensions	1,102	999
Telephone	498	469
Stationery	301	902
Postage	330	178
Office expenses	<u>3,232</u>	<u>1,571</u>
	19,349	17,234
<b>Governance costs</b>		
Wages	4,629	4,372
Pensions	367	333
Auditors' remuneration	4,170	3,570
Telephone	166	156
Stationery	100	301
Postage	110	59
Carried forward	9,542	8,791

Hereford Municipal Charities

Detailed Statement of Financial Activities  
for the Year Ended 31 December 2016

	31.12.16 £	31.12.15 £
<b>Governance costs</b>		
Brought forward	9,542	8,791
Office expenses	<u>1,077</u>	<u>524</u>
	<u>10,619</u>	<u>9,315</u>
<b>Total resources expended</b>	<u>241,435</u>	<u>226,980</u>
<b>Net income before gains and losses</b>	122,499	122,205
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	<u>407,231</u>	<u>27,456</u>
<b>Net income</b>	<u><u>529,730</u></u>	<u><u>149,661</u></u>