

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales · Charity number 1051168

Details

Other names	H C P T, HCPT - HEREFORD CATHEDRAL, HEREFORD CATHEDRAL TRUST, Hereford Cathedral Perpetual Trust, PERPETUAL TRUST
Status	Registered
Legal form	Charitable company
Company number	03123592
Registered	1995-11-30
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE THE RELIGIOUS AND CHARITABLE WORK OF THE CHURCH OF ENGLAND BY PROVIDING ADDITIONAL SUPPORT FOR ALL OR ANY OF THE CHARITABLE PURPOSES TO WHICH THE CAPITULAR REVENUES OF THE DEAN AND CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY AND ST. ETHELBERT IN HEREFORD ARE APPLICABLE INCLUDING ESPECIALLY:1) THE PROMOTION AND MAINTENANCE TO A HIGH STANDARD OF THE CHORAL SERVICES OF THE CHURCH OF ENGLAND IN THE CATHEDRAL (WHETHER SIMPLE OR ELABORATE) IN SUCH WAYS AS THE BOARD OF GOVERNORS IN ITS ABSOLUTE DISCRETION THINKS FIT INCLUDING (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) PROMOTION OF THE RELIGIOUS MUSICAL AND SECULAR EDUCATION OF PUPILS ATTENDING ANY SCHOOL IN WHICH INSTRUCTION IN THE DOCTRINES OF THE CHURCH OF ENGLAND IS GIVEN AND PERFORMANCE OF THE CHORAL SERVICES OF THE CHURCH OF ENGLAND IS OBSERVED AND ALSO INCLUDING THE REPAIR MAINTENANCE AND RENEWAL OF THE ORGAN OF THE CATHEDRAL THE ACQUISITION AND MAINTENANCE OF ITS MUSICAL BOOKS AND MANUSCRIPTS AND THE EMPLOYMENT OF ALL STAFF INCLUDING LAY CLERKS IN CONNECTION WITH THE CHORAL SERVICES OF THE CATHEDRAL; AND2) THE PRESERVATION MAINTENANCE AND DEVELOPMENT OF THE CATHEDRAL GENERALLY.

Activities: The Trust raises funds to support the work of the Chapter of Hereford Cathedral.

Classification

- **How:** Makes Grants To Organisations, Other Charitable Activities
- **What:** Education/training, Religious Activities, Arts/culture/heritage/science, Environment/conservation/heritage, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** IN PRACTICE, HEREFORD
- Herefordshire
- Shropshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£972,507	£653,238	£6,670,249	1
2023-12-31	£487,326	£428,007	-	-
2022-12-31	£1,006,404	£436,291	£5,881,275	2
2021-12-31	£646,445	£524,427	£5,903,673	1
2020-12-31	£2,013,242	£1,122,058	£5,282,964	2

Trustees

Name	Role	Appointed
FIONA GALLIERS-PRATT		2025-07-18
Katherine Hale Garnier		2022-11-04
Patricia Churchwood		2025-07-18
Prince Charles Raoul de Rohan		2022-11-04
Richard Banks		2022-11-04
The Rt Hon. Philip Martin Dunne		2025-07-18
Thomas Nathaniel Hone		2018-09-25
Very Revd Sarah Romilly Denner Brown		2021-10-02

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales - Charity number 1051168

Accounts

REGISTERED COMPANY NUMBER: 03123592 (England and Wales)
REGISTERED CHARITY NUMBER: 1051168

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2024
for
The Hereford Cathedral Perpetual Trust

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

The Hereford Cathedral Perpetual Trust
Year ended 31 December 2024

Contents of the Financial Statements
for the Year Ended 31 December 2024

	Page
Chairman's Report	1 to 3
Report of the Trustees	4 to 12
Report of the Independent Auditors	13 to 15
Statement of Financial Activities	16
Balance Sheet	17 to 18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 30
Detailed Statement of Financial Activities	31 to 32

CHAIR'S REPORT

for the year ended 31 December 2024

This is my sixth report to the Governors since being elected Chair of the Hereford Cathedral Perpetual Trust ("the Trust").

The Trust's prime goal is to build up and run a capital fund for investment to produce a predictable income. So, we tend to look at world affairs in that light. My previous reports have referred to world turmoil and horror. It seems to have got worse. In addition to wars, old and new, we now have economic instability.

The stock markets have been volatile but considered over the longer term, remarkably resilient. Inflation was our concern but that has been managed well (the recent tariff war may change this).

The Trustees have steadfastly kept their eyes on the distant horizon. A report was commissioned to review our investment policy. This has confirmed that a well-diversified, international equity portfolio of well managed companies by respected portfolio managers have achieved our investment objective of inflation plus 4% over a 100 year plus time horizon, spanning worse turmoil than we are seeing today. More is said in the Trustee report about our investment policy.

The Trust's beneficiary is solely the Chapter of Hereford Cathedral in accordance with its charitable objectives. The Cathedral continues to be a beacon of light to the Diocese for the Christian faith, music and culture of the highest quality.

Important occasions are marked by special services throughout the year. One such should be singled out. On May 2nd this year, a service of thanksgiving was held for the life of Sir Thomas Dunne KG KCVO JP, one of the Trust's founding fathers who died on 6th January this year. One cannot overstate the contribution made by Sir Thomas to the communities that he served. It is doubtful that this Trust would exist without his involvement from its inception. We thank God for his service.

Their Royal Highnesses, the Duke and Duchess of Gloucester honoured the Cathedral in February last year by a visit. The choir sang services in Bayeux Cathedral and L'église Sait Pierre in Caen as part of the 80th anniversary of D-Day. Back in Herefordshire, the Cathedral has a continuous programme of services, concerts, cultural events, especially in connection with the Mappa Mundi, chained library and the many wonderful artifacts. Of particular joy to this chair of trustees was the performance of Bach's Matthew's passion in March this year (with many thanks to the William Adlington Cadbury Trust for their sponsorship). We are very fortunate to be able to produce such a high standard of performance for this and all that the Cathedral does.

Last year, reference was made to difficulties in recruitment for the choir's treble line. Although this is likely to continue longer term, in 2025 recruitment has been a pleasant surprise in the quality and quantity of applicants.

The North door (Booth porch) project is finished and is much more welcoming to visitors than before while also keeping the heat in. The move of the font from the South aisle to its rightful place at the centre of the nave at the West end is underway. Both projects have been financed by funds raised by the Trust for the purpose.

It is suggested that readers may be interested in reading the annual accounts for Chapter which can be found on the Cathedral website.

The Cathedral faces considerable challenges.

The fabric of the Cathedral never stops demanding attention. The roof of the nave keeps the rain out by dint of much mastic applied by the Cathedral architect. The ceiling of the nave has suffered from previous rain ingress and well as being darkened by dirt from when the Gurneys, the lovely but not efficient heaters burnt coal. They were converted to gas but there is a threat that they will not pass modern gas regulations. So, a big multi-million-pound project is underway to put the nave roof into both rainproof and beautiful order and find a way of warming the building without ruing the planet.

The Father Willis organ is creaking. In particular, the wooden soundboard in which the pipes sit through which wind is directed, are splitting, with unfortunate consequences. At times, dependent on the atmospheric conditions, parts of the organ become unplayable. The solution is a complete dismantling of the organ to reach parts that have not received attention since it was rebuilt at the end of the 19th century. This will be a very expensive project, currently estimated at £1.5m.

As difficult is the funding of day to day running of the Cathedral. Costs have been going up. Regulation makes this worse. Income has not kept pace. The Cathedral is running at a deficit, and this is projected to continue without six figure increases in income or decreases in expenditure. It is hard to imagine cutting costs that would not undermine crucial parts of what the Cathedral does and cut income in the process. The current situation is unsustainable. The Cathedral does not have unrestricted reserves to maintain such deficits for very long.

CHAIR'S REPORT (continued)
for the year ended 31 December 2024

The Trust has increased its grant to Chapter to £400,000 in the current year, from £350,000 in the year before. This is considerably more than our investment income and we depend on annual donations from individuals and funding bodies alongside events to avoid deficits and erosion of our capital. We are very grateful to all who donate and help with events. As a result, we are budgeting better than breakeven. We have told Chapter that we aim at least to maintain this level of grant for the next two years. This is to support Chapter's strategy of focus on increasing income (and recruiting the resources to achieve this), rather than drastic cost cutting with all the damage that could cause. If, at the end of 2027, Chapter is still on an unsustainable path, a very different approach will be required.

As signalled last year, responsibility for fund-raising for the Trust is now in the hands of the Development department and they should be thanked for their hard work. They understand that a Trust deficit would undermine the sustainability of our grant to Chapter and are committed to avoiding such an outcome.

A change in the way that we administer the Trust is in train. For some years, this has been in the hands of Georgina Miller who joined the Trust at a difficult time for relations between Chapter and the Trust. Since then, much has changed and there is a much clearer understanding of what the relationship between the Trust as a major Funder and Chapter as the sole beneficiary should be - independent entities. Meanwhile, Georgina would like to retire from the role of doing everything bar fund-raising. We have decided, bar last minute issues, to put the administration of the Trust back into the hands of the finance department of Chapter. The Trustees would like to thank Georgina for the years of hard work and dedication that she has put into the Trust. This chair is particularly grateful for the words of advice and warning that Georgina has given him. May she and her dogs continue to thrive in their new home.

The Trust will focus on its Charitable Objectives as embodied in its name "Perpetual". These are set out clearly in the Trustee report.

Much of the grant is made unrestricted so that the Chapter may use it to fund the general running of the Cathedral. Some of the grant is made specifically to support the music and, separately, the education programme. The ultimate goal is to create a fund large enough to provide investment income that would cover the cost of the wonderful music and education programmes so guarantee their future in perpetuity. This would release other funds within Chapter to cover the general running expenses.

Turning to the performance during the year, the following table summarises the financial performance of the Trust.

Year Ended 31st December 2024

	Unrestricted £	Restricted Choral £	Restricted Fabric £	Restricted Education £	Total £
Revenue Account					
Income					
Legacies	41,010		62,500		103,510
Donations	76,968	10,956	1,052	194	89,170
Events	13,829				13,829
General Grants	16,800	60,500	400,000	37,000	514,300
Investment Income	213,294	38,403			251,697
Other Income					
Income invested in capital			(62,500)	(24,152)	(86,652)
Total revenue Income	361,901	109,862	401,052	13,042	885,857
Expenditure					
Grants to Chapter	158,000	174,000	209,510	18,000	559,510
Running costs	92,060	1,667	-	-	93,727
Support from unrestricted funds	65,805	(65,805)			
Total Expenditure	315,865	109,862	209,510	18,000	653,237
Revenue surplus/(deficit)	46,036	-	191,542	(4,958)	219,813
Capital					
Invested into capital	-	-	62,500	24,152	86,652
Unrealised Gains/(losses)	204,296	36,956	(277)	(107)	240,868
Transfer between funds	10,000	(10,000)	-	-	0
Total Capital movement	214,296	26,956	62,223	24,045	340,324
Net movement of funds	260,330	26,956	253,765	19,087	560,137
NAV at 1 st January 2024	5,144,074	858,303	85,540	22,195	6,110,112
NAV at 31 st December 2024	5,404,404	885,259	339,304	41,282	6,670,249

The Hereford Cathedral Perpetual Trust

CHAIR'S REPORT (continued)
for the year ended 31 December 2024

The Trust made a surplus on its unrestricted Revenue Account of £74,885 before supporting the restricted choral fund by £65,805 which is a satisfactory result. The Trust does not aim to make large surpluses but the general revenue reserve that has been built gives the Trustees confidence to increase the grant to Chapter for the next two years.

The Capital Account increased by £340,324 including a generous fabric legacy of £62,500. Unrealised capital gains are always welcome, but we have recently seen how volatile they can be.

The Trust held a full programme of events. Thanks to the generosity of Edward and Tamsin Clive, another successful and fun clay shoot was held at Whitfield. Thanks to the generosity of the William Adlington Cadbury Trust, performances of J.S. Bach's Matthew Passion were held to full houses. The now well-established Advent service was held in December at the Guards Chapel in London, led by Hereford Cathedral's world class Choir.

We are very grateful to all who give to the Trust, both to the Income and Capital funds and we remember with gratitude those who have left such generous legacies.

The Trustees have been joined by Fiona Galliers-Pratt. Fiona's career started as a Graduate Trainee at the Bank of England before becoming an equity analyst at various financial security firms, ending at a high level before doing research for a MP and an executive search firm. More recently, she was treasurer and trustee of Age UK Hereford. We are very pleased to have Fiona join the Trustees.

Two more Trustees (with a third possible) have accepted invitations to join the Trustees at the forthcoming AGM. Up to now, the queue to replace the chair has been short indeed but the current chair has agreed to stay for one more year confident that much better successor will be lurking within the new Trustee group after the AGM.

Two Trustees will be leaving at the AGM. Nick Harvey joined the Trustees having previously served on Chapter, bringing his entrepreneurial experience to a world not know for that attribute. Julia Budd, a scion of the London executive search world, was immediately pounced on by Chapter to help them with various recruitments. The chair and Trustees cannot thank them enough for the time and dedication that they have brought to the Trust.

The Trust has a broad range of skills to bring to bear and it is an honour and pleasure to work with them. There is always room to broaden further. We have formalised a number of committees to focus on certain aspects. At time of writing, these committees are:

Audit Committee Prince Charles de Rohan (Chair), Richard Banks, Nat Hone

Investment committee Richard Banks (Chair), Prince Charles de Rohan, Nat Hone

Nominations committee Julia Budd (Chair), Nat Hone, Katherine Garnier

Risk Committee Katherine Garnier (Chair), Fiona Galliers-Pratt, Nat Hone

I am very grateful to all the Trustees for their great contribution and Georgina Miller, our executive officer who runs the Trust single handed. As mentioned above, she is leaving and we shall much miss her.

It is the intention of the Trustees, led by the Nominations committee to focus on how we manage the Membership (called in the articles our Governors and from whom the Trustees must be chosen) to help develop the Trust.

In conclusion, the Trust is in a healthy position but needs to build further to provide sustainable help for its beneficiary.

Nat Hone DL
Chair

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. 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 2019).

"The Trust" throughout this report refers to the Hereford Cathedral Perpetual Trust being both a registered company and registered charity, on whose affairs for the year ending 31st December 2024 is the subject of this report.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Charitable objectives as set out in the Memorandum and Articles of Association of the Trust are as follows:

The object for which the Trust is established is to promote the religious and charitable work of the Church of England by providing support for all, or any, of the charitable purposes to which the capitular revenues of the Chapter of the Cathedral Church of the Blessed Virgin Mary and St Ethelbert in Hereford ("the Cathedral") are applicable including especially:

1. The promotion and maintenance to a high standard of choral services of the Church of England in the Cathedral (whether simple or elaborate) in such ways as the Board of Governors in its absolute discretion think fit including (but without prejudice to the generality of the foregoing); promotion of religious, musical and secular education of pupils attending any school in which the doctrines of the Church of England is given and performance of the choral services of the Church of England is observed; and also the repair, maintenance and renewal of the organs of the Cathedral the acquisition and maintenance of its musical books and manuscripts; and the employment of all staff including lay clerks, in connection with the Choral Services of the Cathedral; and

2 The preservation, maintenance and development of the Cathedral generally.

The Board has agreed the following more detailed definition of the education objectives set out in the Memorandum of Association:

To support the educational and interpretational work of the Cathedral amongst people of all ages, in all areas of its mission and ministry, using the resources of the whole Cathedral Foundation.

This would include, but not exclusively, work with schools, colleges and universities; adult education, Sunday School, individuals, family groups, visitors and pilgrims; creating access and opportunities in the Library and Archives and associated exhibition; providing interpretative materials in promoting the cathedral and its mission; and relating Christianity to contemporary society.

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

OBJECTIVES AND ACTIVITIES (continued)

Operations

The Trust fulfils its charitable objective by the provision of funding and services to the Cathedral Chapter. The Cathedral Chapter is the legal entity which own and are responsible for the Cathedral and associated properties. Their charitable objective is to proclaim the Gospel of Christ in the City and Diocese of Hereford and in the wider world, by serving and inspiring all those who encounter the Cathedral and its community.

The Trust provides funding and services in the following ways:

The Trust is building a long-term investment fund (the "Capital Fund) the income from which will provide a stable income to the Trust. This will contribute to a revenue surplus that can be granted to the Cathedral Chapter. Additions to the Capital Fund come mainly from legacies and gifts.

The exact nature of the Capital Fund will depend on the wishes of the donor. For example, they may wish their gift to be used for a specific purpose. They may wish the gift to be treated as an endowment. The Trust is flexible to accommodate a wide range of donor requirements as long as it can do so efficiently.

The Trust is very grateful to its regular donors. It seeks to increase the number of donors and ensure that donors are properly informed on how their donation is used and feel part of the Cathedral community.

The Trust holds events to raise money for the revenue account. It also provides assistance to Chapter for its own fundraising.

The Trust also helps to raise the profile of the Cathedral and its works to the wider community, both nationally and internationally. As a result, Hereford Cathedral has supporters all around the world.

The Trust provides other assistance to Chapter including supporting project development, crafting projects suitable for external funding and in promoting the Chapter's activities and own programmes through Out of the Cloisters. The Trust continues to maintain close relations with other cathedrals, national bodies involved in the management of cathedrals, heritage organisation, government, Whitehall and various Royal Households.

The Trust, in partnership with Chapter, agrees an annual funding plan. This includes revenue support of the Choral Foundation and Education Department, along with unrestricted funding in support of staff and core revenue costs, with the goal of maintaining, if not increasing, this support in the future.

The Trust also finds funding for Cathedral events. In general, these will be smaller sums (less than £10,000) and the entire sum, other than clearly identifiable costs, is passed onto the Chapter. Such a case is the grant from the W A Cadbury Charitable Trust in support of the annual Holy Week performance of one of J S Bach's Passions.

Public benefit

As a charity registered in England and Wales, the Trust reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

The Trust has continued to work closely with the Chapter and funding has been provided to support the Choral Foundation, educational work of the Chapter and a number of fabric projects.

All the projects have included the engagement of the general public, as well as helping to protect our shared heritage.

Volunteers

When regulations allow, the Trust uses volunteers in two ways. Members of the Trustee body provide strategic, management, financial and other expertise, joined by other members of the Board of Governors and co-opted individuals in different areas of the Trust's work. A wider base of volunteers helps with various fundraising events.

ACHIEVEMENT AND PERFORMANCE

Fundraising

The Trusty fundraises primarily through institutions, trusts and foundations together with event-based fundraising and some individual donations. The Trust does not engage in cold-calling or street-based fundraising or use third party fundraisers and all activities undertaken are directly monitored and controlled by the Trust's staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The Trust is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

Legacies

Subject to any specific wishes connected with a bequest, the first £10,000 of any legacy will be taken to the Revenue Account in order to meet the costs of running the legacy programme and in meeting any immediate financial needs. The balance will be invested in the Capital Fund under the guidance of the Investment Managers in consultation with the Trustees.

Any legal restriction on a bequest will be honoured, although should there be concern over the nature or the extent of the restriction and whether the Trust can honour the conditions, this will be clarified with the Executors before the gift is deposited. In the event of a bequest being received with conditions laid out in a Letter of Wishes, this will be honoured as far as possible by the Trustees and the Executors kept informed.

The legacy programme manages the relationship with potential benefactors, appropriate professionals and the Executors and families of those individuals from whom we have received bequests.

The Trust is a member of the Church House Good Legacy Practice Group, which provides policy, best practice advice, theological thinking and practical support to diocesan funding officers and the church in general. The group of a dozen members meets up to three times each year.

FINANCIAL REVIEW

Investment Policies

The Trustees have wide powers of investment. Since 1998, its investments have been managed by Cazenove Capital, a trading arm of Schroder & Co Limited, on a discretionary basis. Rather than running a discrete portfolio of directly held investments, the Trustees agreed with Cazenove that the funds should be invested in co-mingled funds managed by Cazenove suitable for charities and held for the long-term.

The Cazenove Responsible Multi-Asset Fund (RMAF) opened in February 2020 and is the only holding currently at Cazenove Capital.

RMAF aims to provide income and capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten-year periods, but with strict ESG policies. RMAF is also designed specifically for charities and is authorised and approved by the Charity Commission. The Fund currently has exposure to 23 underlying holdings. The Fund has an explicit responsible investment policy, with screening aligned with common charity concerns and environmental, social and governance analysis, engagement and voting embedded into the equity investment process.

Cash awaiting disbursement for major projects is held in a number of interest-bearing bank accounts or in a suitable cash fund, as appropriate, normally with the Church of England's Central Board of Finance.

Cazenove Capital and Schroders have a dedicated and well-resourced responsible investment team. They have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. Schroders are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable investment and finance association and the European Sustainable Investment Forum. All investments in companies made by Cazenove on behalf of the Perpetual Trust are subject to their rigorous responsible investment and corporate governance policies. Both academic research and our own experience show that strong ESG management often delivers superior long-term returns. The appraisal of ESG factors is integrated in our stock and fund selection process.

FINANCIAL REVIEW

Investment Policies (continued)

Cazenove's corporate governance and responsible investment functions have been in existence since 1998. A dedicated section of their website sets out related policies, voting records, research reports and responsible investment reviews.

For further information on responsible investment, please go to:
<https://www.schroders.com/en/sustainability/corporate-responsibility/>

For more information on the RMAF, please go to:
<https://www.casenovecapital.com/uk/charities/our-funds/>

Trustees monitor long-term performance carefully. At least once a year, representatives of the Trustees meet with the advisors along with representatives of the Mappa Mundi Trust, who also use Cazenove Capital and with the Chapter, who are also trustees of two other charities, and their separate advisors. Representatives of the diocesan investment committee are also invited as are trust representatives to the diocese review meeting. This enables trustees to review the performance of its investments compared to other investment managers.

The Trustees commissioned a full external review of investments and investment policy during 2024.

Reserves

The Trust holds total funds of £6.67m, of which £1.27m are restricted for specific purposes whereas the balance of £5.4m is both unrestricted and largely held in investments which are relatively liquid.

The policy of the Trustees is to build a Capital Fund with a view to the fund providing an increasing amount of reliable income over the long term. The Trustees have designated the invested unrestricted funds to reflect this intention. The balance of the unrestricted funds represents operational working capital.

The Trustees are content with the fund position and the designated fund is held in relatively liquid investments hence could be called upon in the event of any short-term reduction in working capital. For that reason, the Trustees consider a small unrestricted working capital balance to be adequate.

It should be noted that the net current asset position as at 31 December 2024 included accrued income from Cazenove of £50,400 (2023: £58,500).

Legacies

A total of £103,510 (2023: £28,239) was recognised in the form of known legacies, of which £62,500 was added to the Capital Fund.

The Trust is very grateful to have the following legacies from the following estates:

- The Late David Bateman
- The Late David Wylie
- The Late Esther Price
- The Late Mrs M White

There were no legacies accrued at the end of the financial year.

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

FINANCIAL REVIEW

Reserves (continued)

Substantial gifts

We are grateful to the following trusts, foundations and companies for their generosity

The Croft Trust
The Elmley Foundation
The Hawthorne Charitable Trust
The Harley Charity
The Provincial Grand Lodge of Herefordshire
The McCorquodale Charitable Trust
The Mumford Memorial Trust
The Pilling Trust
The Rowlands Trust
The Willing Adlington Cadbury Trust
GM Morrison Charitable Trust
Gerefa Charitable Trust
Pontrilas Developments Ltd
SR & PH Southall Charitable Trust
Tabor Charitable Trust
The Claire Hunter Charitable Trust
The Louise Nicholas Residuary Charitable Trust
The Jordan Foundation

In addition, we are extremely grateful to those individuals who have generously donated monies to the Trust, during the year.

Investment Performance

The market value of the Trust's investment portfolio (including cash held for investment) at 31st December 2024 amounted to £6,112,991 (2023: £5,795,678).

Financial Position

Details of the financial performance and financial position of the Trust are set out in the following accounts on pages 18 to 30.

For the year ended 31 December 2024, net income before investment gains and losses amounted to £319,269 (2023: net expenditure £59,319). Grant funding amounting to £559,511 (2023: £351,250) was made during the year.

In 2024 the Trust's gross income was £972,507 (2023: £487,326).

Total expenditure for the year was £653,238 (2023: £428,007), which included grants to the Choral Foundation of £174,000 (2023: £180,500) £18,000 (2023: £18,000) towards Education and £158,000 (2023: £152,750) toward general Chapter running costs and £209,511 of fabric contributions are included in Note 7.

Principal funding sources

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds, including the Choral Investment Fund, are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2024

FUTURE PLANS

Subject to the current review, the Trust will continue to develop its links with supporters - local, national and international. It will continue to strengthen its relationships with grant making bodies and bring on board new charitable and corporate supporters.

The Trust's focus will remain on:

- Growing its Capital Fund held in investments to provide a secure long term income stream
- Supporting the revenue income of the Chapter through various annual regular and one-off grants
- Funding its own structure and staffing

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee and not having any share capital. The Trust was incorporated on 8th November 1995 as company number 3123592 and is registered with the Charity Commission with charity number 1051168. The Trust operates in accordance with its Memorandum and Articles of Association as amended by written Resolution effective 1st June 2008 and pursuant to the consent of the Charity Commission pursuant to Section 64 Charities Act 1993.

Charity constitution

The maximum number of named Governors (members) is one hundred. A maximum of eight governors plus the Dean of Hereford (by virtue of his office) are the Trustees. The Trustees manage the business of the Trust. Individuals may be invited by the Trustees to become Governors.

The Trust seeks to maintain an appropriate mix of skills and experience among the Trustees, especially in the areas of finance, business and governance, combined with an understanding of the role and mission of the Cathedral.

Recruitment and appointment of new trustees

Trustees (who are elected by the Governors) are recruited from time to time to provide the skills needed to manage the Trust and to broaden the network of professional and personal contacts. The composition of the Trustee body is reviewed periodically. Trustees must be Governors (members) of the Trust.

Organisational structure

A Board of Trustees manage the trust. Until 15 June 2008 certain powers were delegated to the Council of Management; on that date, by written resolution of the Members, the Council of Management was replaced by the Executive, whose members are the Trustees.

The Trustees are responsible for the overall strategy and financial commitments of the Trust and are supported in this by the Chief Executive who manages the day-to-day operations of the Trust. Committees consisting of Trustees, and co-opted individuals with special expertise, are appointed from time to time to administer specific areas of work on behalf of the Trustees.

While the Chapter's Finance and Risk Committee only have a statutory duty to advise the Chapter on its accounts and risk, the Trust shares many of its documents (not least its annual accounts and investment reports) with the committee as to help better inform the whole cathedral family on its financial position. The Trust is able to nominate one Trustee, normally the Chairman, to be a member of the committee.

A separate investment group, led by a member of the finance and risk committee also coordinates an annual meeting with the investment managers for the Chapter and associated charities, the Mappa Mundi Trust and the Perpetual Trust. The Diocesan Board of Finance is also invited to attend as to enable a broad view. The meeting is held in Hereford. Approximately six months later, an informal meeting is held in London with each of the investment managers to maintain an awareness of the then situation. If a significant gift is to be invested, such as a large legacy, a separate meeting may be held, either in person or by telephone. Regular reports, both in print and electronic are regularly received by various Trustees and the Chief Executive.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

An induction and training programme is arranged for new Executive members, tailored to meet their individual needs. It typically includes Trustee responsibilities and governance, governing documents, the roles of the Trust and Chapter, the work of the Cathedral, current commitments and future plans. New Trustees meet fellow Trustees and Cathedral personnel.

Key management remuneration

The remuneration of key management is decided by the Board of Trustees.

Related parties

The Very Revd Sarah Brown became Dean 2nd October 2021 and assumed the ex-officio place on the board, replacing The Revd Canon Andrew Piper. Her conflicts are as previously that she is a member of both the Trustees of the Trust and Chapter.

During the year, processes are in place where all grants to Chapter are recorded in the Chief Executive's report to Trustees, along with identifying any payments likely to be made before the next Trustees' meeting, so Trustees are aware of what has been paid to the Chapter during each period. Any payments are confirmed in advance wherever possible.

Risk management

The Trustees continue to monitor the major risks which the Trust faces and seek to reduce those risks. At present in this uncertain economic climate there are risks with fundraising. Lower income from investments affects the Trust and also the donors to whom the Trust applies for grants. There is a risk that the Trust is unable to raise sufficient funding to meet the aspirations of the Chapter to cover its own running costs.

A major risk is the performance of the Trust investment portfolio and the income from it. Comments on this are contained in the Financial Review

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03123592 (England and Wales)

Registered Charity number

1051168

Registered office

5 College Cloisters

The Close

Hereford

Herefordshire

HR1 2NG

Trustees

Revd Canon Sarah Brown

Julia Budd

Charles De Rohan

Fiona Galliers-Pratt (appointed 07/02/25)

Katherine Garnier

Nick Harvey

Nat Hone

Richard Banks

Patron

HM King Charles III

Vice-Presidents

The Lord-Lieutenant of Herefordshire (Mr Edward Harley CBE)

The Lord-Lieutenant of Shropshire (Mrs Anna Turner)

The Dowager Countess of Darnley CVO

Sir Thomas Dunne KG KCVO (deceased 6th January 2025)

Sir Algernon Heber-Percy KCVO

Key management personnel

Georgina Miller (unit July 2024)

Company Secretary

Georgina Miller

Auditors

Thorne Widgey Accountancy Ltd

Chartered Accountants

Statutory Auditors

2 Wyevale Business Park

Kings Acre

Hereford

Herefordshire

HR4 7BS

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London

WC2A 3HL

Gabbs Solicitors

14 Broad Street

Hereford

HR4 9AP

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

Bankers

Lloyds TBS pic
8 High Town
Hereford
HRI 2AE

The Central Board of Finance
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hereford Cathedral Perpetual Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

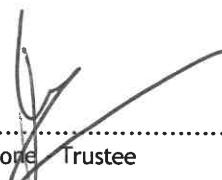
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ACKNOWLEDGEMENTS

The Trust greatly appreciates the very generous support of many individuals, Trusts and organisations, the close co-operation with Chapter and the work of the Cathedral volunteers. It owes a particular debt of gratitude to its staff.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 18. VII 2025 and signed on its behalf by:


.....
Mr N Hope Trustee

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; 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.

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits, we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The keys laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialises and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Report of the Independent Auditors.

Use of our report

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

Thorne Widgey Accountancy Ltd

for and on behalf of Thorne Widgey 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: ...22/7/25.....

The Hereford Cathedral Perpetual Trust

Statement of Financial Activities
for the Year Ended 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	134,778	572,203	706,981	231,760
Other trading activities	3	13,829	-	13,829	11,346
Investment income	4	<u>213,294</u>	<u>38,403</u>	<u>251,697</u>	<u>244,220</u>
Total		<u>361,901</u>	<u>610,606</u>	<u>972,507</u>	<u>487,326</u>
EXPENDITURE ON					
Raising funds	5	25,702	1,667	27,369	30,053
Charitable activities					
Grantmaking	6	158,000	401,511	559,511	351,250
Support costs		<u>66,358</u>	<u>-</u>	<u>66,358</u>	<u>46,704</u>
Total		<u>250,060</u>	<u>403,178</u>	<u>653,238</u>	<u>428,007</u>
Net gains on investments		<u>204,296</u>	<u>36,572</u>	<u>240,868</u>	<u>169,518</u>
NET INCOME					
Transfers between funds	16	<u>316,137</u> <u>(55,807)</u>	<u>244,000</u> <u>55,807</u>	<u>560,137</u> <u>-</u>	<u>228,837</u> <u>-</u>
Net movement in funds		260,330	299,807	560,137	228,837
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>5,144,074</u>	<u>966,038</u>	<u>6,110,112</u>	<u>5,881,275</u>
TOTAL FUNDS CARRIED FORWARD		<u>5,404,404</u>	<u>1,265,845</u>	<u>6,670,249</u>	<u>6,110,112</u>

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet
31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
FIXED ASSETS					
Investments	13	5,141,464	971,527	6,112,991	5,795,678
CURRENT ASSETS					
Debtors	14	72,984	26,000	98,984	73,191
Cash at bank and in hand		<u>230,889</u>	<u>268,318</u>	<u>499,207</u>	<u>259,820</u>
		303,873	294,318	598,191	333,011
CREDITORS					
Amounts falling due within one year	15	(40,933)	-	(40,933)	(18,577)
NET CURRENT ASSETS		<u>262,940</u>	<u>294,318</u>	<u>557,258</u>	<u>314,434</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,404,404</u>	<u>1,265,845</u>	<u>6,670,249</u>	<u>6,110,112</u>
NET ASSETS		<u>5,404,404</u>	<u>1,265,845</u>	<u>6,670,249</u>	<u>6,110,112</u>
FUNDS	16				
Unrestricted funds:					
General Fund (Revenue)				262,940	196,699
General Capital Fund				<u>5,141,464</u>	<u>4,947,375</u>
				<u>5,404,404</u>	<u>5,144,074</u>
Restricted funds:					
Education Fund (Revenue)				17,237	22,195
Fabric Fund (Revenue)				195,854	4,313
Font Project Fund (Revenue)				81,227	81,227
Choral Capital Fund				885,259	858,303
Education Capital Fund				24,045	-
Fabric Capital Fund				<u>62,223</u>	-
				<u>1,265,845</u>	<u>966,038</u>
TOTAL FUNDS				<u>6,670,249</u>	<u>6,110,112</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet - continued
31 December 2024

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Mr N Hone Trustee

18. VII 25

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Cash Flow Statement
for the Year Ended 31 December 2024

	Notes	31.12.24 £	31.12.23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>64,135</u>	<u>(200,718)</u>
Net cash provided by/(used in) operating activities		<u>64,135</u>	<u>(200,718)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(86,652)	-
Sale of fixed asset investments		10,207	10,171
Interest received		5,984	1,339
Dividends received		<u>245,713</u>	<u>242,881</u>
Net cash provided by investing activities		<u>175,252</u>	<u>254,391</u>
Change in cash and cash equivalents in the reporting period		<u>239,387</u>	<u>53,673</u>
Cash and cash equivalents at the beginning of the reporting period		<u>259,820</u>	<u>206,147</u>
Cash and cash equivalents at the end of the reporting period		<u>499,207</u>	<u>259,820</u>

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Notes to the Cash Flow Statement
for the Year Ended 31 December 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	31.12.24		31.12.23
	£		£
Net income for the reporting period (as per the Statement of Financial Activities)	560,137		228,837
Adjustments for:			
Gain on investments	(240,868)		(169,518)
Interest received	(5,984)		(1,339)
Dividends received	(245,713)		(242,881)
Increase in debtors	(25,793)		(12,416)
Increase/(decrease) in creditors	<u>22,356</u>		<u>(3,401)</u>
Net cash provided by/(used in) operations	<u>64,135</u>		<u>(200,718)</u>
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.1.24	Cash flow	At 31.12.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>
	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>
Total	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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 principal area of judgement and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The charitable company has the continued support of its bankers and funders and have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The board will continue to monitor and review the activities and provide strong and clear governance.

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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

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.

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.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

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

Pension costs and other post-retirement benefits

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

Tangible fixed assets

Tangible fixed assets costing more than £1,000 net are capitalised and are stated at cost.

Depreciation is charged by equal annual instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Fixtures and Fittings - 4 years

Investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Debtors

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

Cash at bank and in hand

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

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.

Pension costs and other post-retirement benefits

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

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
Grants	16,800	497,500	514,300	89,900
Donations	64,934	11,651	76,585	97,158
Gift aid	12,034	552	12,586	16,463
Legacies	<u>41,010</u>	<u>62,500</u>	<u>103,510</u>	<u>28,239</u>
	<u>134,778</u>	<u>572,203</u>	<u>706,981</u>	<u>231,760</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
Events	<u>13,829</u>	<u>-</u>	<u>13,829</u>	<u>11,346</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
Dividend income - (Cazenove)	207,310	38,403	245,713	242,881
Interest receivable	<u>5,984</u>	<u>-</u>	<u>5,984</u>	<u>1,339</u>
	<u>213,294</u>	<u>38,403</u>	<u>251,697</u>	<u>244,220</u>

5. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
Direct fundraising expenses	16,951	-	16,951	16,774
Promotional materials	-	-	-	75
Support costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
	<u>16,951</u>	<u>-</u>	<u>16,951</u>	<u>20,140</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

5. RAISING FUNDS - continued

Investment management costs

	Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
Portfolio management	<u>8,751</u>	<u>1,667</u>	<u>10,418</u>	<u>9,913</u>
Aggregate amounts	<u>25,702</u>	<u>1,667</u>	<u>27,369</u>	<u>30,053</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Grantmaking	-	559,511	-	559,511
Support costs	<u>17,581</u>	<u>-</u>	<u>48,777</u>	<u>66,358</u>
	<u>17,581</u>	<u>559,511</u>	<u>48,777</u>	<u>625,869</u>

7. GRANTS PAYABLE

	31.12.24 £	31.12.23 £
Grantmaking	<u>559,511</u>	<u>351,250</u>

The total grants paid to institutions during the year was as follows:

	31.12.24 £	31.12.23 £
Fabric - Deanery and canonical properties	209,511	-
Choral / Music - Choral Foundation grants	174,000	180,500
Education - Education grant	18,000	18,000
Other - General Chapter running costs	<u>158,000</u>	<u>152,750</u>
	<u>559,511</u>	<u>351,250</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

8. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
	£	£	£
Support costs	<u>42,250</u>	<u>6,527</u>	<u>48,777</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.24	31.12.23
	£	£
Auditors' remuneration	<u>6,300</u>	<u>6,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

11. STAFF COSTS

	31.12.24	31.12.23
	£	£
Wages and salaries	16,002	17,733
Social security costs	-	211
Other pension costs	<u>1,579</u>	<u>1,026</u>
	<u>17,581</u>	<u>18,970</u>

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

	31.12.24	31.12.23
Administration	<u>1</u>	<u>1</u>

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

The key management personnel of the Trust comprise the unremunerated trustees and the Chief Executive. The total employee benefits of the key management personnel of the Trust, including employer's pension and national insurance contributions, were £Nil (2023: £Nil).

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	106,530	125,230	231,760
Other trading activities	11,346	-	11,346
Investment income	<u>206,009</u>	<u>38,211</u>	<u>244,220</u>
Total	<u>323,885</u>	<u>163,441</u>	<u>487,326</u>
EXPENDITURE ON			
Raising funds	28,467	1,586	30,053
Charitable activities			
Grantmaking	213,106	138,144	351,250
Support costs	<u>46,704</u>	<u>-</u>	<u>46,704</u>
Total	<u>288,277</u>	<u>139,730</u>	<u>428,007</u>
Net gains on investments	<u>145,803</u>	<u>23,715</u>	<u>169,518</u>
NET INCOME	181,411	47,426	228,837
Transfers between funds	<u>(289,290)</u>	<u>289,290</u>	<u>-</u>
Net movement in funds	(107,879)	336,716	228,837
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>5,251,953</u>	<u>629,322</u>	<u>5,881,275</u>
TOTAL FUNDS CARRIED FORWARD	<u>5,144,074</u>	<u>966,038</u>	<u>6,110,112</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	5,795,678
Additions	86,652
Disposals	(10,207)
Revaluations	<u>240,868</u>
At 31 December 2024	<u>6,112,991</u>
NET BOOK VALUE	
At 31 December 2024	<u>6,112,991</u>
At 31 December 2023	<u>5,795,678</u>

There were no investment assets outside the UK.

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

13. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 December 2024 is represented by:

Valuation in 2024	Listed investments £ <u>6,112,991</u>
-------------------	--

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Trade debtors	600	1,400
Other debtors	1,806	4,871
Accrued income	<u>96,578</u>	<u>66,920</u>
	<u>98,984</u>	<u>73,191</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Trade creditors	2,293	5,422
Social security and other taxes	-	862
Other creditors	95	96
Accruals and deferred income	<u>38,545</u>	<u>12,197</u>
	<u>40,933</u>	<u>18,577</u>

16. MOVEMENT IN FUNDS

	At 1.1.24	Net movement in funds	Transfers between funds	At 31.12.24
	£	£	£	£
Unrestricted funds				
General Fund (Revenue)	196,699	111,841	(45,600)	262,940
General Capital Fund	<u>4,947,375</u>	<u>204,296</u>	<u>(10,207)</u>	<u>5,141,464</u>
	5,144,074	316,137	(55,807)	5,404,404
Restricted funds				
Education Fund (Revenue)	22,195	19,087	(24,045)	17,237
Fabric Fund (Revenue)	4,313	253,764	(62,223)	195,854
Choral Funds (Revenue)	-	(65,807)	65,807	-
Font Project Fund (Revenue)	81,227	-	-	81,227
Choral Capital Fund	858,303	36,956	(10,000)	885,259
Education Capital Fund	-	-	24,045	24,045
Fabric Capital Fund	-	-	<u>62,223</u>	<u>62,223</u>
	<u>966,038</u>	<u>244,000</u>	<u>55,807</u>	<u>1,265,845</u>
TOTAL FUNDS	<u>6,110,112</u>	<u>560,137</u>	<u>-</u>	<u>6,670,249</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund (Revenue)	361,901	(250,060)	-	111,841
General Capital Fund	-	-	204,296	204,296
	361,901	(250,060)	204,296	316,137
Restricted funds				
Education Fund (Revenue)	37,194	(18,000)	(107)	19,087
Fabric Fund (Revenue)	463,552	(209,511)	(277)	253,764
Choral Funds (Revenue)	109,860	(175,667)	-	(65,807)
Choral Capital Fund	-	-	36,956	36,956
	610,606	(403,178)	36,572	244,000
TOTAL FUNDS	972,507	(653,238)	240,868	560,137

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General Fund (Revenue)	5,251,953	35,608	(5,090,862)	196,699
General Capital Fund	-	145,803	4,801,572	4,947,375
	5,251,953	181,411	(289,290)	5,144,074
Restricted funds				
Education Fund (Revenue)	9,595	12,600	-	22,195
Fabric Fund (Revenue)	3,202	1,111	-	4,313
Choral Funds (Revenue)	535,298	-	(535,298)	-
Font Project Fund (Revenue)	81,227	-	-	81,227
Choral Capital Fund	-	33,715	824,588	858,303
	629,322	47,426	289,290	966,038
TOTAL FUNDS	5,881,275	228,837	-	6,110,112

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund (Revenue)	323,885	(288,277)	-	35,608
General Capital Fund	-	-	<u>145,803</u>	<u>145,803</u>
	<u>323,885</u>	<u>(288,277)</u>	145,803	181,411
Restricted funds				
Education Fund (Revenue)	30,600	(18,000)	-	12,600
Fabric Fund (Revenue)	1,111	-	-	1,111
Choral Funds (Revenue)	121,730	(121,730)	-	-
Choral Capital Fund	<u>10,000</u>	-	<u>23,715</u>	<u>33,715</u>
	<u>163,441</u>	<u>(139,730)</u>	<u>23,715</u>	<u>47,426</u>
TOTAL FUNDS	<u>487,326</u>	<u>(428,007)</u>	<u>169,518</u>	<u>228,837</u>

Unrestricted Funds

The Trustees have designated the greater part of the unrestricted funds as a long-term fund represented by investments. Within this amount they have further earmarked £45,000 for Clergy Housing. The balance of the unrestricted fund represents the operational working capital of the Trust.

Restricted Funds

The Fabric Fund has been established to provide financial support for the maintenance of the fabric of Hereford Cathedral. A significant element of the fund will be utilised during 2025, with the remaining balance being carried forward to spend on future projects, as appropriate.

The Choral Funds comprise a fund established to provide financial support to the Choral Foundation of Hereford Cathedral in relation to promotion of the religious, musical and secular education of pupils, the repair, maintenance and renewal of the organ of the Cathedral and the acquisition and maintenance of its musical books, manuscripts and the employment of all staff including lay clerks in connection with the Choral Services of the Cathedral.

Within the Choral Funds, the Choral Investment Fund forms part of the investment portfolio held. The fund has been established to generate income to support the Choral Foundation of Hereford Cathedral. Gains and losses on the investment are reflected in the fund balance.

The Education Fund is used to assist the Cathedral in running its education programme with schools, colleges and universities, along with the adult sector.

Transfers between funds

Transfers between funds made relate to (i) projects subsidised by the unrestricted fund (ii) the transfer between the long-term investment fund and the working capital fund made to order to show the long-term investment fund separately.

17. CONTINGENT LIABILITIES

The Charity have been notified that a legacies received in 2019 could be recalled due to the distribution of the legacy being challenged. The value of the legacy amounted to £21,121.72, due to the uncertainty of whether the balance needs to be returned, the Trustees have concluded that it is appropriate to continue to recognise the balance in the financial statements at 31st December 2024.

18. RELATED PARTY DISCLOSURES

During the year, £7,300 (2023: £7,300) in donations was received from six trustees (2023: five trustees) of The Hereford Cathedral Perpetual Trust.

Chapter of Hereford Cathedral

The Dean of Hereford is both a trustee of Hereford Cathedral Perpetual Trust and presides the Chapter of Hereford Cathedral. The present Dean, The Very Reverend Sarah Brown has been a trustee since 2 October 2021.

Nat Hone, a trustee and Chairman of the Perpetual Trust, represents the Trust, as Chair, on the Chapter's Finance and Risk Committee.

During the year £559,511 (2023: £351,250) of grants were made to the Chapter of Hereford Cathedral. Details of the grants can be found in note 7. At the year- end £23,900l was due to the Chapter (2023: £Nil).

During the year £340 (2023: £326) of goods and services were purchased from Chapter of Hereford Cathedral. At the year-end £Nil (2023: £Nil) was outstanding.

Hereford Cathedral Enterprises Limited

Hereford Cathedral Enterprises Limited is a wholly owned subsidiary of Hereford Cathedral of which the Dean of Hereford is a Trustee.

During the year £378 (2023: £245) of goods and services were purchased from Hereford Cathedral Enterprises Ltd. At the year-end £Nil (2023: £Nil) was outstanding.

G Miller - Company Secretary

During the year G Miller was paid £2,893 (2023: £Nil) on a self employed basis for financial support for the charity. At the year end £374 (2023: £Nil) was outstanding.

The Hereford Cathedral Perpetual Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2024

	31.12.24 £	31.12.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	514,300	89,900
Donations	76,585	97,158
Gift aid	12,586	16,463
Legacies	<u>103,510</u>	<u>28,239</u>
	706,981	231,760
Other trading activities		
Events	13,829	11,346
Investment income		
Dividend income - (Cazenove)	245,713	242,881
Interest receivable	<u>5,984</u>	<u>1,339</u>
	<u>251,697</u>	<u>244,220</u>
Total incoming resources	972,507	487,326
EXPENDITURE		
Raising donations and legacies		
Direct fundraising expenses	16,951	16,774
Promotional materials	<u>-</u>	<u>75</u>
	16,951	16,849
Investment management costs		
Portfolio management	10,418	9,913
Charitable activities		
Wages	16,002	17,733
Social security	-	211
Pensions	1,579	1,026
Grants to institutions	<u>559,511</u>	<u>351,250</u>
	577,092	370,220
Support costs		
Management		
Insurance	1,734	1,660
Other professional fees	21,613	-
Computer and software costs	3,566	2,734
Postage and stationery	10,684	12,595
Accountancy	3,492	3,804
Other overheads	<u>1,161</u>	<u>3,852</u>
	42,250	24,645

This page does not form part of the statutory financial statements

The Hereford Cathedral Perpetual Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2024

	31.12.24	31.12.23
	£	£
Management		
Governance costs		
Auditors' remuneration	6,300	6,000
Sundries	<u>227</u>	<u>380</u>
	<u>6,527</u>	<u>6,380</u>
Total resources expended	<u>653,238</u>	<u>428,007</u>
Net income	<u>319,269</u>	<u>59,319</u>

This page does not form part of the statutory financial statements

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales - Charity number 1051168

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2023
for
The Hereford Cathedral Perpetual Trust

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

The Hereford Cathedral Perpetual Trust
Year ended 31 December 2023

Contents of the Financial Statements
for the Year Ended 31 December 2023

	Page
Chairman's Report	1 to 3
Report of the Trustees	4 to 13
Report of the Independent Auditors	14 to 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 30
Detailed Statement of Financial Activities	31 to 32

CHAIR'S REPORT

This is my Fifth report to the Governors since being elected Chair of the Hereford Cathedral Perpetual Trust ("the Trust"). Sadly, I have to repeat what I said last year about the general background. The war in the Ukraine continues. The dreadful events in the near east that were triggered on October 7th last year have split world opinion and are shaking previously firm alliances. There are a record number of elections coming up this year that may lead to important changes in policy.

Oddly, the stock markets have discounted this barrage of political uncertainty. Last year's economic news was the sharp rise in inflation. So far in the current year, inflation worldwide has been coming down. Central banks seem to be taming the beast without driving economies into recession.

This is good for the Trust, being a capital fund that has substantially recovered the value lost in 2022. One wonders whether it will last. We will focus on investment for the long term though the ride may be rocky.

The Cathedral has risen to the challenge of difficult finances by a combination of careful cost management and increased activity to bring in new people. A first was the staging of a Passion Play in Lent. It was staged by The Revd Canon James Pacey, the relatively recently appointed Canon Chancellor. The Dean played Annas, a challenging role given Annas' antipathy towards Jesus. There is constant activity there and there will be renewed focus on taking what the Cathedral does so well out of the building and into the Diocese and beyond. What we do is world class and the world must have access.

The choir is a wonder. They recently performed Bach's Christmas Oratorio and the St. John Passion quite superbly. The carol services were packed. They continue to do the daily round of morning and evening services. The number of girls in the choir growing and we are all thrilled that we have taken this step. The organ, my particular passion, never emits a wrong note.

Recruitment for the choir is a challenge. Financial constraints have meant that the bursary that can be offered has had to be cut. This means that recruitment is not as independent of parental means as we would like. We will need to at least double the size of the Trust's capital to make a difference to this problem.

Last year, I said that we were reviewing the split in responsibility for fund raising between the Trust and Chapter. A Head of Development - Emma Maggs - and a Bid-Writer - Julia Smith - have been recruited. They are working very closely with Georgina Miller, Executive Director of the Trust who stepped into Glyn Morgan's shoes. They are all working together both to raise funds for immediate use by Chapter reporting to the Dean, and long-term funds for the Trust with a dotted reporting line to the Trust's chair.

The Trust will focus on its Charitable Objectives as embodied in its name "Perpetual". These are set out clearly in the Trustee report.

Much of the grant is made unrestricted so that the Chapter may use it to fund the general running of the Cathedral. Some of the grant is made specifically to support the music and, separately, the education programme. The ultimate goal is to create a fund large enough to provide investment income that would cover the cost of the wonderful music and education programmes so guarantee their future in perpetuity. This would release other funds within Chapter to cover the general running expenses.

Turning to the performance during the year, the following table summarises the financial performance of the Trust.

Year Ended 31st December 2023					
	Unrestricted £	Restricted Choral £	Restricted Fabric £	Restricted Education £	Total £
Income					
Revenue					
Legacies	7,239	11,000			18,239
Donations	77,536	21,019	1,111	1,000	100,666
Events	11,346				11,346
General Grants	17,000	51,500		17,000	85,500
Investment Income	206,009	38,211			244,220
Other Income	4,756				4,756
Total revenue	323,886	121,730	1,111	18,000	464,727
Expenditure					
Grants to Chapter	213,106	120,144		18,000	351,250
Administrative costs	75,171	1,586			76,757
Total Expenditure	288,277	121,730		18,000	428,007
Income surplus/(deficit)	35,609	-	1,111	-	36,720
Capital					
Capital receipts		10,000		12,600	22,600
Unrealised Gains/(losses)	145,803	23,715			169,518
Total Capital movement	145,803	33,715	-	12,600	192,118
Net movement of funds	181,412	33,715	1,111	12,600	-
Transfer between funds	(289,290)	289,290			
NAV 1st Jan	5,251,953	535,298	84,429	9,595	5,881,275
NAV 31st Dec	5,144,075	858,303	85,540	22,195	6,110,113

The Trust made a surplus on its unrestricted Revenue Account of £35,609 which is a satisfactory result. The Trust does not aim to make large surpluses but building a revenue reserve in a particular year gives the Trustees more confidence to increase the grant to Chapter in a subsequent year with a lower risk of depleting capital if there is a revenue deficit.

In addition, the Capital Account has gained back during the year under review some of the losses in the previous year and this trend has continued into the current year. The Trustees have initiated a review of its investment policy and management that will report in 2024.

The Trust held a full programme of events. Thanks to the generosity of Edward and Tamsin Clive, another successful and fun clay shoot was held at Whitfield. Thanks to the generosity of the .William Adlington Cadbury Trust, performances of J.S. Bach's Christmas Oratorio and St. John's Passion we held to full houses. The now well-established Advent service was held in December at the Guards Chapel in London, led by Hereford Cathedral's world class Choir.

We are very grateful to all who give to the Trust, both to the Income and Capital funds and we remember with gratitude those who have left such generous legacies.

The Trustees have not changed during the year. The Trust has a broad range of skills to bring to bear and it is an honour and pleasure to work with them. There is always room to broaden further. We have formalised a number of committees to focus on certain aspects.

Audit Committee Prince Charles de Rohan (Chair), Richard Banks, Nat Hone

Investment committee Richard Banks (Chair), Prince Charles de Rohan, Nat Hone

Nominations committee Julia Budd (Chair), Nat Hone, Katherine Garnier

Risk Committee Katherine Garnier (Chair), Nick Harvey, Nat Hone

I am very grateful to all the Trustees for their great contribution and Georgina Miller, our executive officer who runs the Trust single handed.

It is the intention of the Trustees, led by the Nominations committee to focus on how we manage the Membership (called in the articles our Governors and from whom the Trustees must be chosen) to help develop the Trust.

To end on a piece of very good news, we have just heard that The King has agreed to retain his Patronage of the Trust. We are most grateful to His Majesty and look forward to developing the relationship.

Nat Hone DL
Chair

A handwritten signature in black ink, appearing to be 'Nat Hone', written over a large, light-colored scribble or mark.

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. 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 2019).

"The Trust" throughout this report refers to the Hereford Cathedral Perpetual Trust being both a registered company and registered charity, on whose affairs for the year ending 31st December 2022 is the subject of this report.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECTIVES

The Charitable objectives as set out in the Memorandum and Articles of Association of the Trust are as follows:

The object for which the Trust is established is to promote the religious and charitable work of the Church of England by providing support for all, or any, of the charitable purposes to which the capitular revenues of the Chapter of the Cathedral Church of the Blessed Virgin Mary and St Ethelbert in Hereford ("the Cathedral") are applicable including especially:

1. The promotion and maintenance to a high standard of choral services of the Church of England in the Cathedral (whether simple or elaborate) in such ways as the Board of Governors in its absolute discretion think fit including (but without prejudice to the generality of the foregoing); promotion of religious, musical and secular education of pupils attending any school in which the doctrines of the Church of England is given and performance of the choral services of the Church of England is observed; and also the repair, maintenance and renewal of the organs of the Cathedral the acquisition and maintenance of its musical books and manuscripts; and the employment of all staff including lay clerks, in connection with the Choral Services of the Cathedral; and

2 The preservation, maintenance and development of the Cathedral generally.

The Board has agreed the following more detailed definition of the education objectives set out in the Memorandum of Association:

To support the educational and interpretational work of the Cathedral amongst people of all ages, in all areas of its mission and ministry, using the resources of the whole Cathedral Foundation.

This would include, but not exclusively, work with schools, colleges and universities; adult education, Sunday School, individuals, family groups, visitors and pilgrims; creating access and opportunities in the Library and Archives and associated exhibition; providing interpretative materials in promoting the cathedral and its mission; and relating Christianity to contemporary society.

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2023

OPERATIONS

The Trust fulfils its charitable objective by the provision of funding and services to the Cathedral Chapter. The Cathedral Chapter is the legal entity which own and are responsible for the Cathedral and associated properties. Their charitable objective is to proclaim the Gospel of Christ in the City and Diocese of Hereford and in the wider world, by serving and inspiring all those who encounter the Cathedral and its community.

The Trust provides funding and services in the following ways:

The Trust is building a long-term investment fund (the "Capital Fund) the income from which will provide a stable income to the Trust. This will contribute to a revenue surplus that can be granted to the Cathedral Chapter. Additions to the Capital Fund come mainly from legacies and gifts.

The exact nature of the Capital Fund will depend on the wishes of the donor. For example, they may wish their gift to be used for a specific purpose. They may wish the gift to be treated as an endowment. The Trust is flexible to accommodate a wide range of donor requirements as long as it can do so efficiently.

The Trust is very grateful to its regular donors. It seeks to increase the number of donors and ensure that donors are properly informed on how their donation is used and feel part of the Cathedral community.

The Trust holds events to raise money for the revenue account. It also provides assistance to Chapter for its own fundraising.

The Trust also helps to raise the profile of the Cathedral and its works to the wider community, both nationally and internationally. As a result, Hereford Cathedral has supporters all around the world.

The Trust provides other assistance to Chapter including supporting project development, crafting projects suitable for external funding and in promoting the Chapter's activities and own programmes through Out of the Cloisters. The Trust continues to maintain close relations with other cathedrals, national bodies involved in the management of cathedrals, heritage organisation, government, Whitehall and various Royal Households.

The Trust, in partnership with Chapter, agrees an annual funding plan. This includes revenue support of the Choral Foundation and Education Department, along with unrestricted funding in support of staff and core revenue costs, with the goal of maintaining, if not increasing, this support in the future.

The Trust also finds funding for Cathedral events. In general, these will be smaller sums (less than £10,000) and the entire sum, other than clearly identifiable costs, is passed onto the Chapter. Such a case is the grant from the W A Cadbury Charitable Trust in support of the annual Holy Week performance of one of J S Bach's Passions, though in 2023 this independent grant was incorporated into the main choral grant with an expectation of a Holy Week 2023 performance or an appropriate variation depending on the then regulations.

OBJECTIVES AND ACTIVITIES

Significant activities

Investment Policies

The Trustees have wide powers of investment. Since 1998, its investments have been managed by Cazenove Capital, a trading arm of Schroder & Co Limited, on a discretionary basis. Rather than running a discrete portfolio of directly held investments, the Trustees agreed with Cazenove that the funds should be invested in co-mingled funds managed by Cazenove suitable for charities and held for the long-term.

The Cazenove Responsible Multi-Asset Fund (RMAF) opened in February 2020 and is the only holding currently at Cazenove Capital.

RMAF aims to provide income and capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten-year periods, but with strict ESG policies. RMAF is also designed specifically for charities and is authorised and approved by the Charity Commission. The Fund currently has exposure to 23 underlying holdings. The Fund has an explicit responsible investment policy, with screening aligned with common charity concerns and environmental, social and governance analysis, engagement and voting embedded into the equity investment process.

Cash awaiting disbursement for major projects is held in a number of interest-bearing bank accounts or in a suitable cash fund, as appropriate, normally with the Church of England's Central Board of Finance.

Cazenove Capital and Schroders have a dedicated and well-resourced responsible investment team. They have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. Schroders are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable investment and finance association and the European Sustainable Investment Forum. All investments in companies made by Cazenove on behalf of the Perpetual Trust are subject to their rigorous responsible investment and corporate governance policies. Both academic research and our own experience show that strong ESG management often delivers superior long-term returns. The appraisal of ESG factors is integrated in our stock and fund selection process.

Cazenove's corporate governance and responsible investment functions have been in existence since 1998. A dedicated section of their website sets out related policies, voting records, research reports and responsible investment reviews.

For further information on responsible investment, please go to:

<https://www.schroders.com/en/sustainability/corporate-responsibility/>

For more information on the RMAF, please go to:

<https://www.casenovecapital.com/uk/charities/our-funds/>

Trustees monitor long-term performance carefully. At least once a year, representatives of the Trustees meet with the advisors along with representatives of the Mappa Mundi Trust, who also use Cazenove Capital and with the Chapter, who are also trustees of two other charities, and their separate advisors. Representatives of the diocesan investment committee are also invited as are trust representatives to the diocese review meeting. This enables trustees to review the performance of its investments compared to other investment managers.

The Trustees will be commissioning a full external review of investments and investment policy during 2024.

Public benefit

As a charity registered in England and Wales, the Trust reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

The Trust has continued to work closely with the Chapter and funding has been provided to support the Choral Foundation, educational work of the Chapter and a number of fabric projects.

All the projects have included the engagement of the general public, as well as helping to protect our shared heritage.

OBJECTIVES AND ACTIVITIES

Volunteers

When regulations allow, the Trust uses volunteers in two ways. Members of the Trustee body provide strategic, management, financial and other expertise, joined by other members of the Board of Governors and co-opted individuals in different areas of the Trust's work. A wider base of volunteers helps with various fundraising events.

Fundraising

The Trusty fundraises primarily through institutions, trusts and foundations together with event-based fundraising and some individual donations. The Trust does not engage in cold-calling or street-based fundraising or use third party fundraisers and all activities undertaken are directly monitored and controlled by the Trust's staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The Trust is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

Legacies

Subject to any specific wishes connected with a bequest, the first £10,000 of any legacy will be taken to the Revenue Account in order to meet the costs of running the legacy programme and in meeting any immediate financial needs. The balance will be invested in the Capital Fund under the guidance of the Investment Managers in consultation with the Trustees.

Any legal restriction on a bequest will be honoured, although should there be concern over the nature or the extent of the restriction and whether the Trust can honour the conditions, this will be clarified with the Executors before the gift is deposited. In the event of a bequest being received with conditions laid out in a Letter of Wishes, this will be honoured as far as possible by the Trustees and the Executors kept informed.

The legacy programme manages the relationship with potential benefactors, appropriate professionals and the Executors and families of those individuals from whom we have received bequests.

The Trust is a member of the Church House Good Legacy Practice Group, which provides policy, best practice advice, theological thinking and practical support to diocesan funding officers and the church in general. The group of a dozen members meets up to three times each year.

Reserves

The Trust holds total funds of £6.1m, of which £1m are restricted for specific purposes whereas the balance of £5.1m is both unrestricted and largely held in investments which are relatively liquid.

The policy of the Trustees is to build a Capital Fund with a view to the fund providing an increasing amount of reliable income over the long term. The Trustees have designated the invested unrestricted funds to reflect this intention. The balance of the unrestricted funds represents operational working capital.

The Trustees are content with the fund position and the designated fund is held in relatively liquid investments hence could be called upon in the event of any short-term reduction in working capital. For that reason, the Trustees consider a small unrestricted working capital balance to be adequate.

ACHIEVEMENT AND PERFORMANCE

Reserves

It should be noted that the net current asset position as at 31 December 2023 included accrued income from Cazenove of £58,500 (2022: £58,500).

Legacies

A total of £21,709 (2022: £562,332) was recognised in the form of known legacies, of which £10k (2022: £536k) was added to the Capital Fund and £11,709 (2022: £26k) was taken to the revenue account.

The Trust is very grateful to have the following legacies from the following estates:

- The Late Frederick Bernard Morgan
- The Late Myrtle Middleton
- The Late Patricia Bishop
- The Late Reta Wright

There were no legacies accrued at the end of the financial year.

Substantial gifts

We are grateful to the following trusts, foundations and companies for their generosity

The Croft Trust
The Elmley Foundation
The Hawthorne Charitable Trust
The Harley Charity
The Provincial Grand Lodge of Herefordshire
The McCorquodale Charitable Trust
The Mumford Memorial Trust
The Pilling Trust
The Rowlands Trust
The Willing Adlington Cadbury Trust
GM Morrison Charitable Trust
Gerefa Charitable Trust
Pontrilas Developments Ltd
SR & PH Southall Charitable Trust
Tabor Charitable Trust
The Claire Hunter Charitable Trust

In addition, we are extremely grateful to those individuals who have generously donated monies to the Trust, during the year.

£21,195 was donated by many to celebrate Glyn Morgan's time at the Trust. He wanted this to be the beginnings of an Education Fund. This Fund will be added to and will go on to provide funding for education work at the Cathedral.

Investment Performance

The market value of the Trust's investment portfolio (including cash held for investment) at 31st December 2023 amounted to £5,795,678 (2022 £5,636,330).

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2023

FINANCIAL REVIEW

Details of the financial performance and financial position of the Trust are set out in the following accounts on pages 18 to 30.

For the year ended 31 December 2023, net expenditure amounted to £76,757 (2022: £76,798). Grant funding amounting to £351,250 (2022: £289,500) was made during the year.

In 2023 the Trust's gross income was £487,326 (2022: £1,006,404), including legacies of £21,709 (2022: £562,332).

Total expenditure for the year was £428,007 (2022: £436,291), which included grants to the Choral Foundation of £180,500 (2022: £174,000) £18,000 (2022: £18,000) towards Education and £152,750 (2022: £97,500) toward general Chapter running costs are included in Note 7.

Principal funding sources

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds, including the Choral Investment Fund, are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

FUTURE PLANS

Subject to the current review, the Trust will continue to develop its links with supporters - local, national and international. It will continue to strengthen its relationships with grant making bodies and bring on board new charitable and corporate supporters.

The Trust's focus will remain on:

- Growing its Capital Fund held in investments to provide a secure long term income stream
- Supporting the revenue income of the Chapter through various annual regular and one-off grants
- Funding its own structure and staffing

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee and not having any share capital. The Trust was incorporated on 8th November 1995 as company number 3123592 and is registered with the Charity Commission with charity number 1051168. The Trust operates in accordance with its Memorandum and Articles of Association as amended by written Resolution effective 1st June 2008 and pursuant to the consent of the Charity Commission pursuant to Section 64 Charities Act 1993.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The maximum number of named Governors (members) is one hundred. A maximum of eight governors plus the Dean of Hereford (by virtue of his office) are the Trustees. The Trustees manage the business of the Trust. Individuals may be invited by the Trustees to become Governors.

The Trust seeks to maintain an appropriate mix of skills and experience among the Trustees, especially in the areas of finance, business and governance, combined with an understanding of the role and mission of the Cathedral.

Recruitment and appointment of new trustees

Trustees (who are elected by the Governors) are recruited from time to time to provide the skills needed to manage the Trust and to broaden the network of professional and personal contacts. The composition of the Trustee body is reviewed periodically. Trustees must be Governors (members) of the Trust.

Organisational structure

A Board of Trustees manage the trust. Until 15 June 2008 certain powers were delegated to the Council of Management; on that date, by written resolution of the Members, the Council of Management was replaced by the Executive, whose members are the Trustees.

The Trustees are responsible for the overall strategy and financial commitments of the Trust and are supported in this by the Chief Executive who manages the day-to-day operations of the Trust. Committees consisting of Trustees, and co-opted individuals with special expertise, are appointed from time to time to administer specific areas of work on behalf of the Trustees.

While the Chapter's Finance and Risk Committee only have a statutory duty to advise the Chapter on its accounts and risk, the Trust shares many of its documents (not least its annual accounts and investment reports) with the committee as to help better inform the whole cathedral family on its financial position. The Trust is able to nominate one Trustee, normally the Chairman, to be a member of the committee.

A separate investment group, led by a member of the finance and risk committee also coordinates an annual meeting with the investment managers for the Chapter and associated charities, the Mappa Mundi Trust and the Perpetual Trust. The Diocesan Board of Finance is also invited to attend as to enable a broad view. The meeting is held in Hereford. Approximately six months later, an informal meeting is held in London with each of the investment managers to maintain an awareness of the then situation. If a significant gift is to be invested, such as a large legacy, a separate meeting may be held, either in person or by telephone. Regular reports, both in print and electronic are regularly received by various Trustees and the Chief Executive.

Induction and training of new trustees

An induction and training programme is arranged for new Executive members, tailored to meet their individual needs. It typically includes Trustee responsibilities and governance, governing documents, the roles of the Trust and Chapter, the work of the Cathedral, current commitments and future plans. New Trustees meet fellow Trustees and Cathedral personnel.

Key management remuneration

The remuneration of key management is decided by the Board of Trustees.

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The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Very Revd Sarah Brown became Dean 2nd October 2021 and assumed the ex-officio place on the board, replacing The Revd Canon Andrew Piper. Her conflicts are as previously that she is a member of both the Trustees of the Trust and Chapter.

During the year, processes are in place where all grants to Chapter are recorded in the Chief Executive's report to Trustees, along with identifying any payments likely to be made before the next Trustees' meeting, so Trustees are aware of what has been paid to the Chapter during each period. Any payments are confirmed in advance wherever possible.

Risk management

The Trustees continue to monitor the major risks which the Trust faces and seek to reduce those risks. At present in this uncertain economic climate there are risks with fundraising. Lower income from investments affects the Trust and also the donors to whom the Trust applies for grants. There is a risk that the Trust is unable to raise sufficient funding to meet the aspirations of the Chapter to cover its own running costs.

A major risk is the performance of the Trust investment portfolio and the income from it. Comments on this are contained in the Financial Review

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03123592 (England and Wales)

Registered Charity number
1051168

Registered office
5 College Cloisters
The Close
Hereford
Herefordshire
HR1 2NG

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2023

Trustees

Revd Canon Sarah Brown
Julia Budd
Charles De Rohan
Katherine Garnier
Nick Harvey
Nat Hone
Richard Banks

Patron

HM King Charles III

Vice-Presidents

The Lord-Lieutenant of Herefordshire (Mr Edward Harley OBE)
The Lord-Lieutenant of Shropshire (Mrs Anna Turner)
The Dowager Countess of Darnley CVO
Sir Thomas Dunne KG KCVO
Sir Algernon Heber-Percy KCVO

Key management personnel

Georgina Miller

Company Secretary

Georgina Miller

Auditors

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

Solicitors

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

Gabbs Solicitors

14 Broad Street
Hereford
HR4 9AP

Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TBS pic
8 High Town
Hereford
HRI 2AE

The Central Board of Finance
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hereford Cathedral Perpetual Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

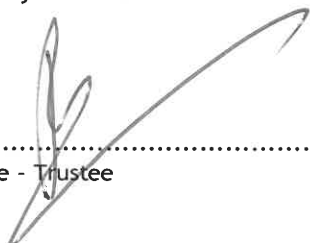
ACKNOWLEDGEMENTS

The Trust greatly appreciates the very generous support of many individuals, Trusts and organisations, the close co-operation with Chapter and the work of the Cathedral volunteers. It owes a particular debt of gratitude to its staff.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on.....15/8/24..... and signed on its behalf by:

.....
Mr N Hone - Trustee



Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialises and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Report of the Independent Auditors.

Use of our report

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

Thorne Widgery Accountancy Ltd

**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: *19/8/24*.....

The Hereford Cathedral Perpetual Trust

Statement of Financial Activities
for the Year Ended 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	31.12.23 Total funds £	31.12.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	106,530	125,230	231,760	752,523
Other trading activities	3	11,346	-	11,346	13,417
Investment income	4	206,009	38,211	244,220	240,464
Total		323,885	163,441	487,326	1,006,404
EXPENDITURE ON					
Raising funds	5	28,467	1,586	30,053	76,798
Charitable activities					
Grantmaking	6	213,106	138,144	351,250	359,493
Support costs		46,704	-	46,704	-
Total		288,277	139,730	428,007	436,291
Net gains/(losses) on investments		145,803	23,715	169,518	(592,511)
NET INCOME/(EXPENDITURE)		181,411	47,426	228,837	(22,398)
Transfers between funds	16	(289,290)	289,290	-	-
Net movement in funds		(107,879)	336,716	228,837	(22,398)
RECONCILIATION OF FUNDS					
Total funds brought forward		5,251,953	629,322	5,881,275	5,903,673
TOTAL FUNDS CARRIED FORWARD		5,144,074	966,038	6,110,112	5,881,275

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet
31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	31.12.23 Total funds £	31.12.22 Total funds £
FIXED ASSETS					
Investments	13	4,947,375	848,303	5,795,678	5,636,331
CURRENT ASSETS					
Debtors	14	73,191	-	73,191	60,775
Cash at bank and in hand		142,085	117,735	259,820	206,147
		<u>215,276</u>	<u>117,735</u>	<u>333,011</u>	<u>266,922</u>
CREDITORS					
Amounts falling due within one year	15	(18,577)	-	(18,577)	(21,978)
		<u>196,699</u>	<u>117,735</u>	<u>314,434</u>	<u>244,944</u>
NET CURRENT ASSETS					
		<u>5,144,074</u>	<u>966,038</u>	<u>6,110,112</u>	<u>5,881,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>5,144,074</u>	<u>966,038</u>	<u>6,110,112</u>	<u>5,881,275</u>
NET ASSETS					
		<u>5,144,074</u>	<u>966,038</u>	<u>6,110,112</u>	<u>5,881,275</u>
FUNDS					
16					
Unrestricted funds:					
General Fund (Revenue)				196,699	5,251,953
General Capital Fund				4,947,375	-
				<u>5,144,074</u>	<u>5,251,953</u>
Restricted funds:					
Education Fund				22,195	9,595
Fabric Fund				4,313	3,202
Choral Funds (Revenue)				-	535,298
Font Project Fund				81,227	81,227
Choral Capital Fund				858,303	-
				<u>966,038</u>	<u>629,322</u>
TOTAL FUNDS					
				<u>6,110,112</u>	<u>5,881,275</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The Hereford Cathedral Perpetual Trust
Balance Sheet - continued
31 December 2023

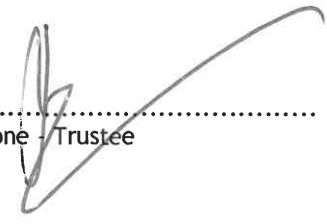
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 5/8/24 and were signed on its behalf by:

.....
Mr N Hone - Trustee



The Hereford Cathedral Perpetual Trust

Cash Flow Statement

for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
Cash flows from operating activities			
Cash generated from operations	1	(200,718)	317,762
Net cash (used in)/provided by operating activities		<u>(200,718)</u>	<u>317,762</u>
Cash flows from investing activities			
Purchase of fixed asset investments		-	(687,832)
Sale of fixed asset investments		10,171	-
Interest received		1,339	1,846
Dividends received		242,881	238,618
Net cash provided by/(used in) investing activities		<u>254,391</u>	<u>(447,368)</u>
Change in cash and cash equivalents in the reporting period			
		53,673	(129,606)
Cash and cash equivalents at the beginning of the reporting period		<u>206,147</u>	<u>335,753</u>
Cash and cash equivalents at the end of the reporting period		<u>259,820</u>	<u>206,147</u>

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Notes to the Cash Flow Statement
for the Year Ended 31 December 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.23 £	31.12.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	228,837	(22,398)
Adjustments for:		
(Gain)/losses on investments	(169,518)	592,511
Interest received	(1,339)	(1,846)
Dividends received	(242,881)	(238,618)
Increase in debtors	(12,416)	(2,085)
Decrease in creditors	(3,401)	(9,802)
Net cash (used in)/provided by operations	<u>(200,718)</u>	<u>317,762</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank and in hand	206,147	53,673	259,820
	<u>206,147</u>	<u>53,673</u>	<u>259,820</u>
Total	<u>206,147</u>	<u>53,673</u>	<u>259,820</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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 principal area of judgement and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

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.

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

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. Support costs include office costs, finance personnel, payroll and governance costs which support the Trusts activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 net are capitalised and are stated at cost.

Depreciation is charged by equal annual instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Fixtures and Fittings - 4 years

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

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

Debtors

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

Cash at bank and in hand

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

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.

Pension costs and other post-retirement benefits

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.23 Total funds £	31.12.22 Total funds £
Gifts	21,400	68,500	89,900	83,100
Donations	67,203	29,955	97,158	96,003
Gift aid	10,688	5,775	16,463	11,088
Legacies	7,239	21,000	28,239	562,332
	<u>106,530</u>	<u>125,230</u>	<u>231,760</u>	<u>752,523</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

3. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.12.23 Total funds	31.12.22 Total funds
	£	£	£	£
Events	<u>11,346</u>	<u>-</u>	<u>11,346</u>	<u>13,417</u>

4. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.12.23 Total funds	31.12.22 Total funds
	£	£	£	£
Dividend income - (Cazenove)	204,670	38,211	242,881	238,618
Interest receivable	1,339	-	1,339	1,846
	<u>206,009</u>	<u>38,211</u>	<u>244,220</u>	<u>240,464</u>

5. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds	Restricted funds	31.12.23 Total funds	31.12.22 Total funds
	£	£	£	£
Staff costs	-	-	-	22,387
Direct fundraising expenses	16,774	-	16,774	29,668
Promotional materials	75	-	75	50
Support costs	3,291	-	3,291	14,853
	<u>20,140</u>	<u>-</u>	<u>20,140</u>	<u>66,958</u>

Investment management costs

	Unrestricted funds	Restricted funds	31.12.23 Total funds	31.12.22 Total funds
	£	£	£	£
Portfolio management	<u>8,327</u>	<u>1,586</u>	<u>9,913</u>	<u>9,840</u>
Aggregate amounts	<u>28,467</u>	<u>1,586</u>	<u>30,053</u>	<u>76,798</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Grantmaking	-	351,250	-	351,250
Support costs	18,970	-	27,734	46,704
	<u>18,970</u>	<u>351,250</u>	<u>27,734</u>	<u>397,954</u>

7. GRANTS PAYABLE

	31.12.23	31.12.22
	£	£
Grantmaking	<u>351,250</u>	<u>289,500</u>

The total grants paid to institutions during the year was as follows:

	31.12.23	31.12.22
	£	£
Choral / Music - Choral Foundation grants	180,500	174,000
Education - Education grant	18,000	18,000
Other - General Chapter running costs	152,750	97,500
	<u>351,250</u>	<u>289,500</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	3,291	-	3,291
Support costs	21,354	6,380	27,734
	<u>24,645</u>	<u>6,380</u>	<u>31,025</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.23	31.12.22
	£	£
Auditors' remuneration	<u>6,000</u>	<u>6,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

11. STAFF COSTS

	31.12.23	31.12.22
	£	£
Wages and salaries	17,733	67,718
Social security costs	211	1,179
Other pension costs	1,026	6,740
	<u>18,970</u>	<u>75,637</u>

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

	31.12.23	31.12.22
Administration	<u>1</u>	<u>1</u>

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

The key management personnel of the Trust comprise the unremunerated trustees and the Chief Executive. The total employee benefits of the key management personnel of the Trust, including employer's pension and national insurance contributions, were £Nil (2022: £76,620).

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	648,221	104,302	752,523
Other trading activities	13,417	-	13,417
Investment income	203,184	37,280	240,464
	<u>864,822</u>	<u>141,582</u>	<u>1,006,404</u>
EXPENDITURE ON			
Raising funds	75,224	1,574	76,798
Charitable activities			
Grantmaking	167,493	192,000	359,493
Support costs	-	-	-
	<u>242,717</u>	<u>193,574</u>	<u>436,291</u>
Net gains/(losses) on investments	<u>(498,846)</u>	<u>(93,665)</u>	<u>(592,511)</u>
NET INCOME/(EXPENDITURE)	123,259	(145,657)	(22,398)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	5,128,694	774,979	5,903,673
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>5,251,953</u>	<u>629,322</u>	<u>5,881,275</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	5,636,331
Disposals	(10,171)
Revaluations	169,518
At 31 December 2023	<hr/> 5,795,678
NET BOOK VALUE	
At 31 December 2023	<hr/> 5,795,678
At 31 December 2022	<hr/> 5,636,331

There were no investment assets outside the UK.

Cost or valuation at 31 December 2023 is represented by:

	Listed investments £
Valuation in 2022	5,636,331
Valuation in 2023	159,347
	<hr/> 5,795,678

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Trade debtors	1,400	-
Other debtors	4,871	2,275
Accrued income	66,920	58,500
	<hr/> 73,191	<hr/> 60,775

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23	31.12.22
	£	£
Trade creditors	5,422	4,955
Social security and other taxes	862	2,642
Other creditors	96	1,130
Accruals and deferred income	12,197	13,251
	<u>18,577</u>	<u>21,978</u>

16. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	Transfers between funds	At 31.12.23
	£	£	£	£
Unrestricted funds				
General Fund (Revenue)	5,251,953	35,608	(5,090,862)	196,699
General Capital Fund	-	145,803	4,801,572	4,947,375
	<u>5,251,953</u>	<u>181,411</u>	<u>(289,290)</u>	<u>5,144,074</u>
Restricted funds				
Education Fund	9,595	12,600	-	22,195
Fabric Fund	3,202	1,111	-	4,313
Choral Funds (Revenue)	535,298	-	(535,298)	-
Font Project Fund	81,227	-	-	81,227
Choral Capital Fund	-	33,715	824,588	858,303
	<u>629,322</u>	<u>47,426</u>	<u>289,290</u>	<u>966,038</u>
TOTAL FUNDS	<u>5,881,275</u>	<u>228,837</u>	<u>-</u>	<u>6,110,112</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General Fund (Revenue)	323,885	(288,277)	-	35,608
General Capital Fund	-	-	145,803	145,803
	<u>323,885</u>	<u>(288,277)</u>	<u>145,803</u>	<u>181,411</u>
Restricted funds				
Education Fund	30,600	(18,000)	-	12,600
Fabric Fund	1,111	-	-	1,111
Choral Funds (Revenue)	121,730	(121,730)	-	-
Choral Capital Fund	10,000	-	23,715	33,715
	<u>163,441</u>	<u>(139,730)</u>	<u>23,715</u>	<u>47,426</u>
TOTAL FUNDS	<u>487,326</u>	<u>(428,007)</u>	<u>169,518</u>	<u>228,837</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General Fund (Revenue)	5,128,694	123,259	5,251,953
Restricted funds			
Education Fund	3,443	6,152	9,595
Fabric Fund	2,428	774	3,202
Choral Funds (Revenue)	687,881	(152,583)	535,298
Font Project Fund	81,227	-	81,227
	<u>774,979</u>	<u>(145,657)</u>	<u>629,322</u>
TOTAL FUNDS	<u>5,903,673</u>	<u>(22,398)</u>	<u>5,881,275</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund (Revenue)	864,822	(242,717)	(498,846)	123,259
Restricted funds				
Education Fund	24,152	(18,000)	-	6,152
Fabric Fund	774	-	-	774
Choral Funds (Revenue)	116,656	(175,574)	(93,665)	(152,583)
	<u>141,582</u>	<u>(193,574)</u>	<u>(93,665)</u>	<u>(145,657)</u>
TOTAL FUNDS	<u>1,006,404</u>	<u>(436,291)</u>	<u>(592,511)</u>	<u>(22,398)</u>

Unrestricted Funds

The Trustees have designated the greater part of the unrestricted funds as a long-term fund represented by investments. The balance of the unrestricted fund represents the operational working capital of the Trust.

Restricted Funds

The Fabric Fund has been established to provide financial support for the maintenance of the fabric of Hereford Cathedral.

The Choral Funds comprise a fund established to provide financial support to the Choral Foundation of Hereford Cathedral in relation to promotion of the religious, musical and secular education of pupils, the repair, maintenance and renewal of the organ of the Cathedral and the acquisition and maintenance of its musical books, manuscripts and the employment of all staff including lay clerks in connection with the Choral Services of the Cathedral.

Within the Choral Funds, the Choral Capital Fund forms part of the investment portfolio held. The fund has been established to generate income to support the Choral Foundation of Hereford Cathedral. Gains and losses on the investment are reflected in the fund balance.

16. MOVEMENT IN FUNDS - continued

The Education Fund is used to assist the Cathedral in running its education programme with schools, colleges and universities, along with the adult sector.

Transfers between funds

Transfers between funds made relate to (i) projects subsidised by the unrestricted fund (ii) the transfer between the long-term investment fund and the working capital fund made in order to show the long-term investment fund separately.

17. RELATED PARTY DISCLOSURES

During the year, £7,300 (2022: £1,030) in donations was received from five trustees (2022: two trustees) of The Hereford Cathedral Perpetual Trust.

Chapter of Hereford Cathedral

The Dean of Hereford is both a trustee of Hereford Cathedral Perpetual Trust and presides the Chapter of Hereford Cathedral. The present Dean, The Very Reverend Sarah Brown has been a trustee since 2 October 2021.

Nat Hone, a trustee and Chairman of the Perpetual Trust, represents the Trust, as Chair, on the Chapter's Finance and Risk Committee.

During the year £351,250 (2022: £288,000) of grants were made to the Chapter of Hereford Cathedral. Details of the grants can be found in note 7. At the year-end £Nil was due to the Chapter (2022: £200).

During the year £326 (2022: £606) of goods and services were purchased from Chapter of Hereford Cathedral. At the year-end £Nil (£200) was outstanding.

Hereford Cathedral Enterprises Limited

Hereford Cathedral Enterprises Limited is a wholly owned subsidiary of Hereford Cathedral of which the Dean of Hereford is a Trustee.

During the year £245 (2022: £152) of goods and services were purchased from Hereford Cathedral Enterprises Ltd. At the year-end £Nil (2022: £Nil) was outstanding.

The Hereford Cathedral Perpetual Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2023

	31.12.23 £	31.12.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	89,900	83,100
Donations	97,158	96,003
Gift aid	16,463	11,088
Legacies	28,239	562,332
	<hr/>	<hr/>
	231,760	752,523
Other trading activities		
Events	11,346	13,417
Investment income		
Dividend income - (Cazenove)	242,881	238,618
Interest receivable	1,339	1,846
	<hr/>	<hr/>
	244,220	240,464
Total incoming resources	<hr/>	<hr/>
	487,326	1,006,404
EXPENDITURE		
Raising donations and legacies		
Wages	-	22,387
Direct fundraising expenses	16,774	29,668
Promotional materials	75	50
	<hr/>	<hr/>
	16,849	52,105
Investment management costs		
Portfolio management	9,913	9,840
Charitable activities		
Wages	17,733	9,413
Social security	211	1,179
Pensions	1,026	6,740
Grants to institutions	351,250	289,500
	<hr/>	<hr/>
	370,220	306,832
Support costs		
Management		
Wages	-	35,918
Insurance	1,660	1,507
Other professional fees	-	4,838
Computer and software costs	2,734	3,233
Postage and stationery	12,595	11,989
Accountancy	3,804	2,628
Other overheads	3,852	1,201
	<hr/>	<hr/>
	24,645	61,314

This page does not form part of the statutory financial statements

The Hereford Cathedral Perpetual Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2023

	31.12.23 £	31.12.22 £
Management		
Governance costs		
Auditors' remuneration	6,000	6,000
Sundries	380	200
	<hr/>	<hr/>
	6,380	6,200
	<hr/>	<hr/>
Total resources expended	428,007	436,291
	<hr/>	<hr/>
Net income	59,319	570,113
	<hr/>	<hr/>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales - Charity number 1051168

Accounts

REGISTERED COMPANY NUMBER: 03123592 (England and Wales)
REGISTERED CHARITY NUMBER: 1051168

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2022
for
The Hereford Cathedral Perpetual Trust

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

The Hereford Cathedral Perpetual Trust

Contents of the Financial Statements
for the Year Ended 31 December 2022

	Page
Chairman's Report	1 to 3
Report of the Trustees	4 to 13
Report of the Independent Auditors	14 to 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 29
Detailed Statement of Financial Activities	30 to 31

The Hereford Cathedral Perpetual Trust

Chairman's Report for the Year Ended 31 December 2022

CHAIR'S REPORT

This is my Fourth report to the Governors since being elected Chair of the Hereford Cathedral Perpetual Trust ("the Trust"). The background for 2022 has been rising world tensions with the war in the Ukraine with no foreseeable end and increasing tension between the superpowers. For the Trust, a capital fund, this is reflected in the capital value of its investments, although the income has held up.

The death of her Late Majesty, Queen Elizabeth II was a sad event that overshadowed the year. The uncertainty around the late Queen's health meant that plans for a big Trust event involving our Patron, now the King, had to be put on hold. At the time of writing, we do not know what may happen to the Patronage. We were lucky to have a visit by the then Prince of Wales early in the year when we were able to show off the finished Eastern Cloister project and bring to our Patron's attention future rather urgent fabric issues.

In an age of uncertainty, the Cathedral is a beacon of hope; however, it is facing very difficult financial pressures. Meanwhile its costs have soared. Last year I wondered how quickly the Cathedral would recover as we supposedly got back to more normal times. It is turning out to be highly challenging. The Trust's role is more important than ever.

A significant moment for the Cathedral family, was the retirement of Glyn Morgan at the end of the year after 25 years of involvement with the Trust, first as a Trustee and then many years as the Chief Executive Officer.

During this time, Glyn has driven significant funding for the Cathedral and into every part of its ministry and life. He has built up its reserves to provide a secure income stream for Chapter (the body that runs the Cathedral), which has been particularly important during the past few years. He has been a great ambassador for the Cathedral outside the Diocese and has created an enthusiastic group of supporters abroad, especially in the US. As well as supporting the various choir tours, he was the conduit for the invitations for the choir to sing in the Vatican and Bologna and coordinated the D-Day 75 visit. Glyn has organised four tours of the Cathedral's Magna Carta outside the UK.

Glyn also stepped in as Chapter Clerk for a time, demonstrating, as ever, his whole-hearted commitment. In short, Glyn has been part of the beating heart of the Cathedral. The Trustees take this opportunity to thank Glyn for all his work.

In 2017, he was made a Member of the Order of the British Empire (MBE) for his services to Hereford Cathedral and the community in Herefordshire, an honour presented by the Trust's patron, then the Prince of Wales and now The King.

Glyn's departure has triggered a review of the split in responsibility for fund raising between the Trust and Chapter. Previously, the Trust played a lead role in raising funds for immediate purposes, both for fabric projects and general expenditure on the mission of the Cathedral alongside building long term funding. Looking forward, Chapter seek to employ a Head of Development, a new post that will take on responsibility for developing new income streams as well as fund raising for fabric projects. It is likely that this person will be joined by a bid writer in due course. There is no end to the fabric maintenance projects in the offing. Chapter is receiving grants from the Cathedral Sustainability Fund for these posts to cover their costs until they become self-funding.

The Trust will focus on its long-term objectives as embodied in its name "Perpetual". The core purpose of the Trust is to build a Capital Fund, (including endowment funds, depending on the wishes of donors), invested to produce income, after the Trust's cost, to make grants to Chapter. The grant is supplemented by net income from events, by annual fund-raising run by The Trust and other initiatives.

The Trust's charitable objectives specifically refer to the maintenance of the music of the Cathedral though much of the grant is unrestricted and can be used by Chapter as needed. In recent times, the Trust has made grants to fund the educational programme of the Cathedral. These objectives are more precious than ever. The ultimate goal is to create a fund large enough to provide investment income that would cover the cost of the wonderful music and education programmes so guarantee their future in perpetuity.

The Trust is now being run by Georgina Miller. Georgina joined the Trust two years ago on a part time basis to run the accounting of the Trust. She will now work for two days a week with the Trust. It is envisaged that with the change in focus, this will work with a considerable reduction in costs.

Turning to the performance during the year, the following table summarises the financial performance of the Trust during the year.

The Hereford Cathedral Perpetual Trust

Chairman's Report
for the Year Ended 31 December 2022

	Unrestricted	Restricted	Restricted	Restricted	Total 2022	Total 2021
	£	Choral £	Fabric £	Education £	£	£
Revenue						
Legacies	15,980				15,980	9,241
Annual donations	63,212	17,880	774	25,224	107,090	125,252
Events	13,417				13,417	-
General Grants	23,600	59,500			83,100	193,254
Investment	200,439	38,179			238,618	
Income						188,070
Other Income	1,847				1,847	4,161
Total Income	318,495	115,559	774	25,224	460,052	519,978
Expenditure						
Grants to Chapter	97,500	174,000		18,000	289,500	380,632
Administrative	145,217	1,574			146,791	
Costs						143,795
Total Expenditure	242,717	175,574		18,000	436,291	524,427
Capital						
Legacies received	546,352				546,352	40,017
Unrealised gains/(losses)	(498,846)	(93,665)			(592,511)	498,691
Total capital movement	47,506	(93,665)			(46,159)	538,708
Fund transfers	-	-	-	-	-	-
Total Movement	123,284	(153,680)	774	7,224	(22,398)	534,259
NAV 1st Jan					5,903,673	5,282,964
NAV 31st Dec					5,881,275	5,903,673

The financial picture is mixed. Revenue exceeded Expenditure by £23,761. On the capital side, we were very pleased to receive a substantial legacy but, hopefully temporarily, the investments lost value. So overall, the Trust broadly stood still financially.

The Trust has restarted events with a very successful clay pigeon shoot at Whitfield, thanks to the generosity of Edward and Tamsin Clive. In December, the Guards Chapel in London was full, to listen to the wonderful Hereford Cathedral Choir and join in too. We were honoured by the attendance of the then Countess of Wessex now Duchess of Edinburgh

We are very grateful to all who give to the Trust, both to the Income and Capital funds and we remember with gratitude those who have left such generous legacies.

We welcome three new Trustees, Charles de Rohan, Katherine Garnier and Richard Banks.

Charles de Rohan has recently retired from full time executive employment following 28 years in the International In-Vitro Diagnostics and MedTech industries, now with several non-executive and advisory board positions, including the Private Equity arm of Rothschild & Co.

Katherine Garnier is a Deputy Lieutenant of Shropshire half of which is in the Hereford Diocese of which the Cathedral is the Mother Church. Katherine has built her career in the publishing sector. She is currently Co-director and Company secretary of a family business providing management consultancy, executive coaching, mentoring, mediation and business strategy.

The Hereford Cathedral Perpetual Trust

Chairman's Report
for the Year Ended 31 December 2022

Richard Banks is a financial, communications and business development professional of more than 25 years' experience. He runs his own business development consultancy which specialises in the Middle East. He follows in the footsteps of his father, the late Lawrence Banks, who was instrumental in the foundation of the Trust.

The Trust now has a set of Trustees with broad experience that can be brought to bear not only on the good running of the Trust but to the wider Cathedral Community. This has already been reflected in our involvement in the recruitment of Chapter's Head of Development mentioned above.

The Trustees have the right expertise to conduct a review of investment strategy in the near future. We will also conduct a review of the Trustee body and their skills to identify gaps that may arise as a result of our new focus.

I am very grateful to all the Trustees for their great contribution. I would like to thank in particular the Dean with whom we are working in harmony. I would also like to thank Georgina Miller who has taken the helm of the Trust and is already bringing in new ideas.

Nat Hone DL
Chair

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. 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 2019).

"The Trust" throughout this report refers to the Hereford Cathedral Perpetual Trust being both a registered company and registered charity, on whose affairs for the year ending 31st December 2022 is the subject of this report.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECTIVES

The object for which the Trust was established is set out in Clause 3 of the Memorandum of Association.

Clause 3 reads as follows (some punctuation added for clarity):

The object for which the Trust is established is to promote the religious and charitable work of the Church of England by providing support for all, or any, of the charitable purposes to which the capitular revenues of the Chapter of the Cathedral Church of the Blessed Virgin Mary and St Ethelbert in Hereford ("the Cathedral") are applicable including especially:

3.1 The promotion and maintenance to a high standard of choral services of the Church of England in the Cathedral (whether simple or elaborate) in such ways as the Board of Governors in its absolute discretion think fit including (but without prejudice to the generality of the foregoing); promotion of religious, musical and secular education of pupils attending any school in which the doctrines of the Church of England is given and performance of the choral services of the Church of England is observed; and also the repair, maintenance and renewal of the organs of the Cathedral the acquisition and maintenance of its musical books and manuscripts; and the employment of all staff including lay clerks, in connection with the Choral Services of the Cathedral; and

3.2 The preservation, maintenance and development of the Cathedral generally.

The Board has agreed the following more detailed definition of education object set out in the Memorandum of Association:

To support the educational and interpretational work of the Cathedral amongst people of all ages, in all areas of its mission and ministry, using the resources of the whole Cathedral Foundation.

This would include, but not exclusively, work with schools, colleges and universities; adult education, Sunday School, individuals, family groups, visitors and pilgrims; creating access and opportunities in the Library and Archives and associated exhibition; providing interpretative materials in promoting the cathedral and its mission; and relating Christianity to contemporary society.

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2022

OBJECTIVES AND ACTIVITIES OPERATIONS

The Trust fulfils its charitable objective by the provision of funding and services to the Cathedral Chapter. The Cathedral Chapter is the legal entity and also its group of the equivalent of Trustees, which own and are responsible for the Cathedral and associated properties. Their charitable objective is to proclaim the Gospel of Christ in the City and Diocese of Hereford and in the wider world, by serving and inspiring all those who encounter the Cathedral and its community.

The Trust provides funding and services in the following ways:

The Trust is building a long-term investment fund (the "Capital Fund", intended to operate as a quasi-endowment) the income from which will provide a stable income to the Trust. This will contribute to a revenue surplus that can be granted to the Cathedral Chapter. Additions to the long-term investment fund come mainly from legacies and gifts. The Trust operates a policy of taking the first £10,000 of any legacy as revenue and adding the rest to the Capital Fund unless the donor has specified otherwise.

The Trust is very grateful to its regular donors. It seeks to grow the number of donors and ensure that donors are properly informed on how their donation is used and feel part of the Cathedral community.

The Trust holds events to raise money for the revenue account. It also provides assistance to Chapter for its own fundraising.

The Trust provides a service to Chapter by leading on fundraising and grant applications for a wide variety of Cathedral capital/fabric projects. The Trust is not responsible for the execution of fabric projects. Building contracts are entered into by Chapter. The Trust is responsible for fulfilling the requirements of the funders of the project, particularly the Heritage Lottery Fund.

The Trust also helps to raise the profile of the Cathedral and its works to the wider community, both nationally and internationally. As a result, Hereford Cathedral has supporters all around the world. The Trust organises the use of its assets, such as its magnificent choir and its 1217 Magna Carta, on visits that help raise funds, both directly and as a result of raising the profile, for the Trust and Chapter.

The Trust provides other assistance to Chapter including supporting project development, crafting projects suitable for external funding and in promoting the Chapter's activities and own programmes through Out of the Cloisters. The Trust continues to maintain close relations with other cathedrals, national bodies involved in the management of cathedrals, heritage organisation, government, Whitehall and various Royal Households.

The Trust, in partnership with Chapter, agrees an annual funding plan. This includes revenue support of the Choral Foundation and Education Department, along with unrestricted funding in support of staff and core revenue costs, with the goal of maintaining, if not increasing, this support in the future.

Funding for capital projects (which may pass through the Trust's account or may be paid directly to Chapter depending on the donor) is only confirmed when the full funding package is secured, or at least, for a definable phase. Some grants, particularly those associated with the National Lottery Heritage Fund also contains funding for substantial amounts of educational work.

The Trust also finds funding for Cathedral events. In general, these will be smaller sums (less than £10,000) and the entire sum, other than clearly identifiable costs, is passed onto the Chapter. Such a case is the grant from the W A Cadbury Charitable Trust in support of the annual Holy Week performance of one of J S Bach's Passions, though in 2021 this independent grant was incorporated into the main choral grant with an expectation of a Holy Week 2021 performance or an appropriate variation depending on the then regulations.

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2022

OBJECTIVES AND ACTIVITIES

Significant activities

Investment Policies

The Trustees have wide powers of investment. Since 1998, its investments have been managed by Cazenove Capital, a trading arm of Schroder & Co Limited, on a discretionary basis. Rather than running a discrete portfolio of directly held investments, the Trustees agreed with Cazenove that the funds should be invested in co-mingled funds managed by Cazenove suitable for charities and held for the long-term.

The Trust invested in one such funds during the financial year:

The Cazenove Responsible Multi-Asset Fund (RMAF) opened in February 2020.

RMAF aims to provide income and capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten-year periods, but with strict ESG policies. RMAF is also designed specifically for charities and is authorised and approved by the Charity Commission. The Fund currently has exposure to 23 underlying holdings. The Fund has an explicit responsible investment policy, with screening aligned with common charity concerns and environmental, social and governance analysis, engagement and voting embedded into the equity investment process.

Cash awaiting disbursement for major projects is held in a number of interest-bearing bank accounts or in a suitable cash fund, as appropriate, normally with the Church of England's Central Board of Finance.

Cazenove Capital and Schroders have a dedicated and well-resourced responsible investment team. They have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. Schroders are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable investment and finance association and the European Sustainable Investment Forum. All investments in companies made by Cazenove on behalf of the Perpetual Trust are subject to their rigorous responsible investment and corporate governance policies. Both academic research and our own experience show that strong ESG management often delivers superior long-term returns. The appraisal of ESG factors is integrated in our stock and fund selection process.

Cazenove's corporate governance and responsible investment functions have been in existence since 1998. A dedicated section of their website sets out related policies, voting records, research reports and responsible investment reviews.

For further information on responsible investment, please go to:

<https://www.schroders.com/en/sustainability/corporate-responsibility/>. For more information on the RMAF, please go to <https://www.cazenovecapital.com/uk/charities/our-funds/>

Trustees monitor long-term performance carefully. At least once a year, representatives of the Trustees meet with the advisors along with representatives of the Mappa Mundi Trust, who also use Cazenove Capital and with the Chapter, who are also trustees of two other charities, and their separate advisors. Representatives of the diocesan investment committee are also invited as are trust representatives to the diocese review meeting. This enables trustees to review the performance of its investments compared to other investment managers.

In early 2021 the CMAF fund was transferred to the RMAF in whole due to the latter funds' improved performance and even stronger ESG policies.

Public benefit

As a charity registered in England and Wales, the Trust reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

The Trust has continued to work closely with the Chapter and funding has been provided to support the Choral Foundation, educational work of the Chapter and a number of fabric projects.

All the projects have included the engagement of the general public, as well as helping to protect our shared heritage.

OBJECTIVES AND ACTIVITIES

Volunteers

When regulations allow, the Trust uses volunteers in two ways. Members of the Trustee body provide strategic, management, financial and other expertise, joined by other members of the Board of Governors and co-opted individuals in different areas of the Trust's work. A wider base of volunteers helps with, various fundraising events.

Fundraising

The charity fundraises primarily through institutions, trusts and foundations together with event-based fundraising and some individual donations. The charity does not engage in cold-calling or street-based fundraising or use third party fundraisers and all activities undertaken are directly monitored and controlled by the charity's staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The charity is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

Legacies

Subject to any specific wishes connected with a bequest, the first £10,000 of any legacy will be retained in order to meet the costs of running the legacy programme and in meeting any immediate financial needs. The balance will be invested in the Capital Fund under the guidance of the Investment Managers in consultation with the Trustees.

Any legal restriction on a bequest will be honoured, although should there be concern over the nature or the extent of the restriction and whether the Trust can honour the conditions, this will be clarified with the Executors before the gift is deposited. In the event of a bequest being received with conditions laid out in a Letter of Wishes, this will be honoured as far as possible by the Trustees and the Executors kept informed.

The legacy programme manages the relationship with potential benefactors, appropriate professionals and the Executors and families of those individuals from whom we have received bequests.

The Chief Executive is a member of the Church House Good Legacy Practice Group, which provides policy, best practice advice, theological thinking and practical support to diocesan funding officers and the church in general. The group of a dozen members meets up to three times each year.

Reserves

The Trust holds total funds of £5.9m, of which £0.6m are restricted for specific purposes whereas the balance of £5.3m is both unrestricted and largely held in investments which are relatively liquid.

The policy of the Trustees is to build a Capital Fund with a view to the fund providing an increasing amount of reliable income over the long term. The Trustees have designated the invested unrestricted funds to reflect this intention. The balance of the unrestricted funds represents operational working capital.

The Trustees are content with the fund position and the designated fund is held in relatively liquid investments hence could be called upon in the event of any short-term reduction in working capital. For that reason, the Trustees consider a small unrestricted working capital balance to be adequate.

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2022

ACHIEVEMENT AND PERFORMANCE

Reserves

It should be noted that the net current asset position as at 31 December 2022 included accrued income from Cazenove of £58,500 (2021: £53,500).

Legacies

A total of £562,332 (2021: £50,000) was recognised in the form of known legacies, of which £536 (2021: £40k) was added to the Capital Fund and £26k (2021: £10k) was taken to the revenue account.

The Trust is very grateful to have the following legacies from the following estates:

The Late David Bateman
The Late Edward Terence Davies
The Late Sandra Elliott

There were no legacies accrued at the end of the financial year.

Substantial gifts

We are grateful to the following trusts, foundations and companies for their generosity

The Croft Trust
The Elmley Foundation
The Gilander Foundation
The Hawthorne Charitable Trust
The McCorquodale Charitable Trust
The Mumford Memorial Trust
The Pilling Trust
The Rowlands Trust
The Willing Adlington Cadbury Trust
Clive and Sylvia Richards Charitable Trust
GM Morrison Charitable Trust
Gerefa Charitable Trust
Herefordshire Masonic Lodge
Octaga Security
Pontrilas Developments Ltd
SR & PH Southall Charitable Trust
Tabor Charitable Trust
The Claire Hunter Charitable Trust

We would also like to thank our anonymous donors during the year.

Investment Performance

The market value of the Trust's investment portfolio (including cash held for investment) at 31st December 2022 amounted to £5,636,331 (2021: £5,541,010).

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2022

FINANCIAL REVIEW

Details of the financial performance and financial position of the Trust are set out in the following accounts on pages 19 to 31.

For the year ended 31 December 2022, net expenditure amounted to £22,398 (2021: net income of £620,709). Grant funding amounting to £289,500 (2021: £380,632) were made during the year.

In 2022 the Trust's gross income was £1,006,404 (2021: £646,445), including legacies of £562,332 (2021: £49,260).

Expenditure for the year was £436,291 (2021: £524,427), which included grants to the Choral Foundation of £174,000 (2021: £174,000). Details of other grants which included £97,500 (2021: £60,000) toward general Chapter running costs are included in Note 7. In the prior year an additional £100,000 was paid directly to Chapter for the loan of the Magna Carta, this loan was planned and actioned by the Trust. There were no similar costs in 2022.

Principal funding sources

One of the principal funders of the Trust is the National Lottery Heritage Fund to whom the Trust applies for grants to support projects in accordance with its objectives.

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds, including the Choral Investment Fund, are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

FUTURE PLANS

Subject to the current review, the Trust will continue to develop its links with supporters - local, national and international. It will continue to strengthen its relationships with grant making bodies and bring on board new charitable and corporate supporters. It will continue to explore the opportunities to use the cathedral artefacts to generate significant gifts to its capital fund.

The Trust's focus will remain on:

- Growing its Capital Fund held in investments to provide a secure long term income stream
- Supporting the revenue income of the Chapter through various annual regular and one-off grants
- Securing external funding to support conservation, restoration and major projects
- Funding its own structure and staffing

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee and not having any share capital. The Trust was incorporated on 8th November 1995 as company number 3123592 and is registered with the Charity Commission with charity number 1051168. The Trust operates in accordance with its Memorandum and Articles of Association as amended by written Resolution effective 1st June 2008 and pursuant to the consent of the Charity Commission pursuant to Section 64 Charities Act 1993.

It should be noted that the 8 November 2020 was the twenty-fifth anniversary of the signing of the original trust deed and the 15 December the same anniversary for the first official meeting of the founding trustees, of which a number are still closely involved and to whom we are grateful for their vision and commitment.

The Hereford Cathedral Perpetual Trust

Report of the Trustees for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The maximum number of named Governors (members) is one hundred. A maximum of eight governors plus the Dean of Hereford (by virtue of his office) are the Trustees. The Trustees manage the business of the Trust. Individuals may be invited by the Trustees to become Governors.

The Trust seeks to maintain an appropriate mix of skills and experience among the Trustees, especially in the areas of finance, business and governance, combined with an understanding of the role and mission of the Cathedral.

Recruitment and appointment of new trustees

Trustees (who are elected by the Governors) are recruited from time to time to provide the skills needed to manage the Trust and to broaden the network of professional and personal contacts. The composition of the Trustee body is reviewed periodically. Trustees must be Governors (members) of the Trust.

Organisational structure

A Board of Trustees manage the trust. Until 15 June 2008 certain powers were delegated to the Council of Management; on that date, by written resolution of the Members, the Council of Management was replaced by the Executive, whose members are the Trustees.

The Trustees are responsible for the overall strategy and financial commitments of the Trust and are supported in this by the Chief Executive who manages the day-to-day operations of the Trust. Committees consisting of Trustees, and co-opted individuals with special expertise, are appointed from time to time to administer specific areas of work on behalf of the Trustees.

While the Chapter's Finance and Risk Committee only have a statutory duty to advise the Chapter on its accounts and risk, the Trust shares many of its documents (not least its annual accounts and investment reports) with the committee as to help better inform the whole cathedral family on its financial position. The Trust is able to nominate one Trustee, normally the Chairman, to be a member of the committee.

A separate investment group, led by a member of the finance and risk committee also coordinates an annual meeting with the investment managers for the Chapter and associated charities, the Mappa Mundi Trust and the Perpetual Trust. The Diocesan Board of Finance is also invited to attend as to enable a broad view. The meeting is held in Hereford. Approximately six months later, an informal meeting is held in London with each of the investment managers to maintain an awareness of the then situation. If a significant gift is to be invested, such as a large legacy, a separate meeting may be held, either in person or by telephone. Regular reports, both in print and electronic are regularly received by various Trustees and the Chief Executive.

Induction and training of new trustees

An induction and training programme is arranged for new Executive members, tailored to meet their individual needs. It typically includes Trustee responsibilities and governance, governing documents, the roles of the Trust and Chapter, the work of the Cathedral, current commitments and future plans. New Trustees meet fellow Trustees and Cathedral personnel.

Key management remuneration

The remuneration of key management is decided by the Board of Trustees.

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Very Revd Sarah Brown became Dean 2nd October 2021 and assumed the ex-officio place on the board, replacing The Revd Canon Andrew Piper. Her conflicts are as previously that she is a member of both the Trustees of the Trust and Chapter.

During the year, processes are in place where all grants to Chapter are recorded in the Chief Executive's report to Trustees, along with identifying any payments likely to be made before the next Trustees' meeting, so Trustees are aware of what has been paid to the Chapter during each period. Any payments are confirmed in advance wherever possible.

Risk management

The Trustees continue to monitor the major risks which the Trust faces and seek to reduce those risks. At present in this uncertain economic climate there are risks with fundraising. Lower income from investments affects the Trust and also the donors to whom the Trust applies for grants. There is a risk that the Trust is unable to raise sufficient funding to meet the aspirations of the Chapter to cover its own running costs.

A major risk is the performance of the Trust investment portfolio and the income from it. Comments on this are contained in the Financial Review

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03123592 (England and Wales)

Registered Charity number

1051168

Registered office

5 College Cloisters

The Close

Hereford

Herefordshire

HR1 2NG

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2022

Trustees

Revd Canon S R D Brown
Mrs J Budd
Mr C R De Rohan (appointed 4.11.22)
Ms K H Garnier (appointed 4.11.22)
Mr N M G Harvey (appointed 4.2.22)
Mr N Hone
Mr R Banks (appointed 4.11.22)
Dr M P Timmerman (resigned 22.7.22)
Mrs T E Hudson (resigned 3.2.22)

Patron

HRH King Charles III

Vice-Presidents

The Lord-Lieutenant of Herefordshire (Mr Edward Harley OBE)
The Lord-Lieutenant of Shropshire (Mrs Anna Turner)
The Dowager Countess of Darnley CVO
Sir Thomas Dunne KG KCVO
Sir Algernon Heber-Percy KCVO

Key management personnel

Mr Glyn Morgan MBE

Chief Executive Officer until 31/12/2022

Company Secretary

Mrs G Miller

Auditors

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

Solicitors

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

Gabbs Solicitors

14 Broad Street
Hereford
HR4 9AP

Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TBS pic
8 High Town
Hereford
HRI 2AE

The Central Board of Finance
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Hereford Cathedral Perpetual Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

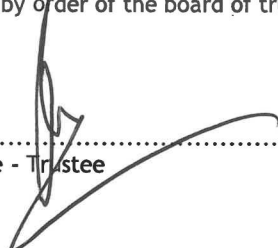
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ACKNOWLEDGEMENTS

The Trust greatly appreciates the very generous support of many individuals, Trusts and organisations, the close co-operation with Chapter and the work of the Cathedral volunteers. It owes a particular debt of gratitude to its staff.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on ...8/9/23..... and signed on its behalf by:


.....
Mr N Hone - Trustee

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
 - the matters discussed among the audit engagement team and involving internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in income, which was raised as a key audit matter in the current year. In common with all UK audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the Companies Act, Charities Act and Charities SORP and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the organisation's ability to operate. These include health and safety.

Report of the Independent Auditors to the Trustees of
The Hereford Cathedral Perpetual Trust

In addition to the above, our procedures to respond to risks identified include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having an effect in the financial statements
- enquiring of management concerning actual and potential litigation claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing with their judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialises and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:15/9/23.....

The Hereford Cathedral Perpetual Trust

Statement of Financial Activities
for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	648,221	104,302	752,523	454,214
Other trading activities	3	13,417	-	13,417	4,161
Investment income	4	<u>203,184</u>	<u>37,280</u>	<u>240,464</u>	<u>188,070</u>
Total		<u>864,822</u>	<u>141,582</u>	<u>1,006,404</u>	<u>646,445</u>
EXPENDITURE ON					
Raising funds	5	75,224	1,574	76,798	67,123
Charitable activities	6				
Grantmaking		<u>167,493</u>	<u>192,000</u>	<u>359,493</u>	<u>457,304</u>
Total		<u>242,717</u>	<u>193,574</u>	<u>436,291</u>	<u>524,427</u>
Net gains/(losses) on investments		<u>(498,846)</u>	<u>(93,665)</u>	<u>(592,511)</u>	<u>498,691</u>
NET INCOME/(EXPENDITURE)		123,259	(145,657)	(22,398)	620,709
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>5,128,694</u>	<u>774,979</u>	<u>5,903,673</u>	<u>5,282,964</u>
TOTAL FUNDS CARRIED FORWARD		<u>5,251,953</u>	<u>629,322</u>	<u>5,881,275</u>	<u>5,903,673</u>

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet
31 December 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Investments	14	4,811,743	824,588	5,636,331	5,541,010
CURRENT ASSETS					
Debtors	15	51,415	9,360	60,775	58,690
Cash at bank and in hand		<u>410,773</u>	<u>(204,626)</u>	<u>206,147</u>	<u>335,753</u>
		462,188	(195,266)	266,922	394,443
CREDITORS					
Amounts falling due within one year	16	(21,978)	-	(21,978)	(31,780)
NET CURRENT ASSETS		<u>440,210</u>	<u>(195,266)</u>	<u>244,944</u>	<u>362,663</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,251,953</u>	<u>629,322</u>	<u>5,881,275</u>	<u>5,903,673</u>
NET ASSETS		<u>5,251,953</u>	<u>629,322</u>	<u>5,881,275</u>	<u>5,903,673</u>
FUNDS	17				
Unrestricted funds				5,251,953	5,128,694
Restricted funds				<u>629,322</u>	<u>774,979</u>
TOTAL FUNDS				<u>5,881,275</u>	<u>5,903,673</u>

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 01/12/23 and were signed on its behalf by:

.....
Mr N Hone - Trustee

The Hereford Cathedral Perpetual Trust

Cash Flow Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>317,762</u>	<u>522,541</u>
Net cash provided by operating activities		<u>317,762</u>	<u>522,541</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(687,832)	(3,675,277)
Sale of fixed asset investments		-	2,936,709
Interest received		1,846	818
Dividends received		<u>238,618</u>	<u>187,252</u>
Net cash used in investing activities		<u>(447,368)</u>	<u>(550,498)</u>
Change in cash and cash equivalents in the reporting period		<u>(129,606)</u>	<u>(27,957)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>335,753</u>	<u>363,710</u>
Cash and cash equivalents at the end of the reporting period		<u>206,147</u>	<u>335,753</u>

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Notes to the Cash Flow Statement
for the Year Ended 31 December 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	31.12.22	31.12.21	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(22,398)	620,709	
Adjustments for:			
Losses/(gain) on investments	592,511	(498,691)	
Interest received	(1,846)	(818)	
Dividends received	(238,618)	(187,252)	
(Increase)/decrease in debtors	(2,085)	729,339	
Decrease in creditors	<u>(9,802)</u>	<u>(140,746)</u>	
Net cash provided by operations	<u>317,762</u>	<u>522,541</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>335,753</u>	<u>(129,606)</u>	<u>206,147</u>
	<u>335,753</u>	<u>(129,606)</u>	<u>206,147</u>
Total	<u>335,753</u>	<u>(129,606)</u>	<u>206,147</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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 principal area of judgement and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

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.

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

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. Support costs include office costs, finance personnel, payroll and governance costs which support the Trusts activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 net are capitalised and are stated at cost.

Depreciation is charged by equal annual instalments commencing with the date of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Fixtures and Fittings - 4 years

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

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

Debtors

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

Cash at bank and in hand

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

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.

Pension costs and other post-retirement benefits

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Grants	23,600	59,500	83,100	279,704
Donations	54,715	41,288	96,003	108,224
Gift aid	7,574	3,514	11,088	17,026
Legacies	<u>562,332</u>	<u>-</u>	<u>562,332</u>	<u>49,260</u>
	<u>648,221</u>	<u>104,302</u>	<u>752,523</u>	<u>454,214</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Events	13,417	-	13,417	-
Expenses recoverable	-	-	-	4,161
	<u>13,417</u>	<u>-</u>	<u>13,417</u>	<u>4,161</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Dividend income - (Cazenove)	201,345	37,273	238,618	187,252
Interest receivable	1,839	7	1,846	818
	<u>203,184</u>	<u>37,280</u>	<u>240,464</u>	<u>188,070</u>

5. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Staff costs	22,387	-	22,387	20,603
Direct fundraising expenses	29,668	-	29,668	14,556
Promotional materials	50	-	50	3,443
Support costs	14,853	-	14,853	17,751
	<u>66,958</u>	<u>-</u>	<u>66,958</u>	<u>56,353</u>

Investment management costs

	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
Portfolio management	8,266	1,574	9,840	10,770
	<u>8,266</u>	<u>1,574</u>	<u>9,840</u>	<u>10,770</u>
Aggregate amounts	<u>75,224</u>	<u>1,574</u>	<u>76,798</u>	<u>67,123</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Grantmaking	<u>17,332</u>	<u>289,500</u>	<u>52,661</u>	<u>359,493</u>

7. GRANTS PAYABLE

	31.12.22 £	31.12.21 £
Grantmaking	<u>289,500</u>	<u>380,632</u>

The total grants paid to institutions during the year was as follows:

	31.12.22 £	31.12.21 £
Fabric - Eastern Range/Cloister Project contributions	-	89,632
Fabric - Deanery and canonical properties	-	45,000
Choral / Music - Choral Foundation grants	174,000	174,000
Education - Education grant	18,000	12,000
Other - General Chapter running costs	<u>97,500</u>	<u>60,000</u>
	<u>289,500</u>	<u>380,632</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	14,853	-	14,853
Grantmaking	52,661	-	52,661
Governance		<u>6,200</u>	<u>6,200</u>
	<u>61,314</u>	<u>6,200</u>	<u>67,514</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.22 £	31.12.21 £
Auditors' remuneration	6,000	14,160
Auditors' remuneration for non audit work	<u>-</u>	<u>9,000</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

11. STAFF COSTS

	31.12.22	31.12.21
	£	£
Wages and salaries	67,718	59,800
Social security costs	1,179	2,908
Other pension costs	6,740	5,968
	<u>75,637</u>	<u>68,676</u>

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

	31.12.22	31.12.21
Administration	<u>1</u>	<u>1</u>

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

The key management personnel of the Trust comprise the unremunerated trustees and the Chief Executive. The total employee benefits of the key management personnel of the Trust, including employer's pension and national insurance contributions, were £71,837 (2021: £68,676).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	208,201	246,013	454,214
Other trading activities	4,161	-	4,161
Investment income	<u>157,600</u>	<u>30,470</u>	<u>188,070</u>
Total	<u>369,962</u>	<u>276,483</u>	<u>646,445</u>
EXPENDITURE ON			
Raising funds	65,097	2,026	67,123
Charitable activities			
Grantmaking	136,672	320,632	457,304
Support costs	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>201,769</u>	<u>322,658</u>	<u>524,427</u>
Net gains on investments	<u>429,592</u>	<u>69,099</u>	<u>498,691</u>
NET INCOME	597,785	22,924	620,709

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	4,530,909	752,055	5,282,964
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>5,128,694</u>	<u>774,979</u>	<u>5,903,673</u>
13. TANGIBLE FIXED ASSETS			Fixtures and fittings £
COST			
At 1 January 2022			20,580
Disposals			<u>(20,580)</u>
At 31 December 2022			<hr/> -
DEPRECIATION			
At 1 January 2022			20,580
Eliminated on disposal			<u>(20,580)</u>
At 31 December 2022			<hr/> -
NET BOOK VALUE			
At 31 December 2022			<hr/> -
At 31 December 2021			<hr/> -
14. FIXED ASSET INVESTMENTS			Listed investments £
MARKET VALUE			
At 1 January 2022			5,541,010
Additions			687,832
Revaluations			<u>(592,511)</u>
At 31 December 2022			<u>5,636,331</u>
NET BOOK VALUE			
At 31 December 2022			<u>5,636,331</u>
At 31 December 2021			<u>5,541,010</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

14. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 December 2022 is represented by:

Valuation in 2022			Listed investments £
			<u>5,636,331</u>
15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	31.12.22	31.12.21	
	£	£	
Other debtors	2,275	1,569	
Prepayments	-	3,655	
Accrued income	<u>58,500</u>	<u>53,466</u>	
	<u>60,775</u>	<u>58,690</u>	
16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	31.12.22	31.12.21	
	£	£	
Trade creditors	4,955	13,079	
Social security and other taxes	2,642	-	
Other creditors	1,130	-	
Accruals and deferred income	<u>13,251</u>	<u>18,701</u>	
	<u>21,978</u>	<u>31,780</u>	
17. MOVEMENT IN FUNDS			
	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General Fund	5,128,694	123,259	5,251,953
Restricted funds			
Education Fund	3,443	6,152	9,595
Fabric Fund	2,428	774	3,202
Choral Funds	687,881	(152,583)	535,298
Font Project Fund	<u>81,227</u>	<u>-</u>	<u>81,227</u>
	<u>774,979</u>	<u>(145,657)</u>	<u>629,322</u>
TOTAL FUNDS	<u>5,903,673</u>	<u>(22,398)</u>	<u>5,881,275</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	864,822	(242,717)	(498,846)	123,259
Restricted funds				
Education Fund	24,152	(18,000)	-	6,152
Fabric Fund	774	-	-	774
Choral Funds	116,656	(175,574)	(93,665)	(152,583)
	<u>141,582</u>	<u>(193,574)</u>	<u>(93,665)</u>	<u>(145,657)</u>
TOTAL FUNDS	<u>1,006,404</u>	<u>(436,291)</u>	<u>(592,511)</u>	<u>(22,398)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General Fund	4,530,909	597,785	5,128,694
Restricted funds			
Education Fund	-	3,443	3,443
Fabric Fund	49,657	(47,229)	2,428
Choral Funds	621,171	66,710	687,881
Font Project Fund	81,227	-	81,227
	<u>752,055</u>	<u>22,924</u>	<u>774,979</u>
TOTAL FUNDS	<u>5,282,964</u>	<u>620,709</u>	<u>5,903,673</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	369,962	(201,769)	429,592	597,785
Restricted funds				
Education Fund	15,443	(12,000)	-	3,443
Fabric Fund	1,099	(48,328)	-	(47,229)
Choral Funds	173,637	(176,026)	69,099	66,710
Eastern Cloister Delivery Fund	86,304	(86,304)	-	-
	<u>276,483</u>	<u>(322,658)</u>	<u>69,099</u>	<u>22,924</u>
TOTAL FUNDS	<u>646,445</u>	<u>(524,427)</u>	<u>498,691</u>	<u>620,709</u>

The Hereford Cathedral Perpetual Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

17. MOVEMENT IN FUNDS - continued

Unrestricted Funds

The Trustees have designated the greater part of the unrestricted funds as a long-term fund represented by investments. Within this amount they have further earmarked £45,000 for Clergy Housing. The balance of the unrestricted fund represents the operational working capital of the Trust.

Restricted Funds

The Fabric Fund has been established to provide financial support for the maintenance of the fabric of Hereford Cathedral.

The Choral Funds comprise a fund established to provide financial support to the Choral Foundation of Hereford Cathedral in relation to promotion of the religious, musical and secular education of pupils, the repair, maintenance and renewal of the organ of the Cathedral and the acquisition and maintenance of its musical books, manuscripts and the employment of all staff including lay clerks in connection with the Choral Services of the Cathedral.

Within the Choral Funds, the Choral Investment Fund forms part of the investment portfolio held. The fund has been established to generate income to support the Choral Foundation of Hereford Cathedral. Gains and losses on the investment are reflected in the fund balance.

The Education Fund is used to assist the Cathedral in running its education programme with schools, colleges and universities, along with the adult sector.

18. RELATED PARTY DISCLOSURES

The Dean of Hereford is both a trustee of Hereford Cathedral Perpetual Trust and presides the Chapter of Hereford Cathedral. The present Dean, The Very Reverend Sarah Brown has been a trustee since 2 October 2021.

Nat Hone, a trustee and Chairman of the Perpetual Trust, represents the Trust, as Chair, on the Chapter's Finance and Risk Committee.

During the year £288,000 (2021: £380,632) of grants were made to the Chapter of Hereford Cathedral. Details of the grants can be found in note 7. At the year-end £Nil was due to the Chapter (2021: £Nil).

During the year £606 (2021: £nil) of goods and services were purchased from Chapter of Hereford Cathedral. At the year-end £200 (2021: £nil) was outstanding.

Hereford Cathedral Enterprises Limited

Hereford Cathedral Enterprises Limited is a wholly owned subsidiary of Hereford Cathedral of which the Dean of Hereford is a Trustee.

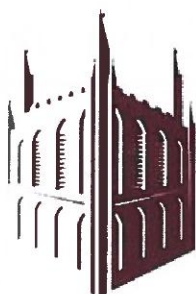
During the year £152 (2021: £262) of goods and services were purchased from Hereford Cathedral Enterprises Ltd. At the year-end £Nil (2021: £nil) was outstanding.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales - Charity number 1051168

Accounts

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



**HEREFORD
CATHEDRAL**

PERPETUAL TRUST

**REGISTERED COMPANY NUMBER: 03123592 (England & Wales)
REGISTERED CHARITY NUMBER: 1051168**

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Contents of the Financial Statements

	Page
Chair and Chief Executive's Reports	1 to 4
Report of the Trustees	5 to 15
Report of the Independent Auditors	16 to 18
Statement of Financial Activities	19
Balance sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23 to 32
Detailed Statement of Financial Activities	33 to 34

CHAIR'S REPORT

This is my third report to the Governors since being elected Chair of the Hereford Cathedral Perpetual Trust ("the Trust"). As I write, we seem to have come to terms with Covid though its impact is still out there. In the forefront of our minds, it has been replaced by the horror of the war in Ukraine and the return of inflation - another set of unpredictable events both of which are causing human misery.

In such times, the constant rhythm of the spiritual comfort that the Cathedral offers is more important than ever. Financially, the Chapter of the Cathedral have benefitted from public funds alongside support from its supporters and the Trust so that the last two years have seen it weather the financial storm well. It remains to be seen how things fare in the current year as such funds dry up and the Cathedral goes back to relying on its traditional support.

The core purpose of the Trust is to build a Capital Fund, (a quasi-endowment fund but without the restrictions of a true endowment) that is invested to produce income, after the Trust's cost, to make grants to the Chapter of Hereford Cathedral ("Chapter"). The grant is supplemented by net income from events, by annual fund-raising run by The Trust and other initiatives.

Although the Trust's charitable objectives specifically refer to the maintenance of the choral tradition of the Cathedral, much of the grant is unrestricted and can be used by Chapter as needed.

The Trust also plays a lead role in the funding of fabric projects.

The Trust has had another good year, increasing its net assets from £5,282,964 to £5,903,673. The following table sets out the high-level breakdown of the financial performance for the year ended 31 December 2021 with comparatives for 2020 shown in smaller type and italics below each figure.

The Trust has a policy of taking up to the first £10,000 of any legacy to income to help pay for its running expenses. Legacies are, by nature, unpredictable and both 2020 and 2021 were quiet. 2022 will show a different story thanks to the great generosity of Benefactors.

Annual donations were adversely affected by Covid but Government grants made this up.

Sadly, the impact of Covid continued to prevent the Trust holding events for a second year in 2021, other than the Advent in London Service at The Guards Chapel. The contributions people made are technically donations so are not shown as event income.

2021 saw the tail end of the Eastern Cloisters project, hence the drop in fabric income and expense. The Trust has historically been involved in such larger projects. At the moment, there are no big projects underway but an ancient Cathedral like Hereford always has a large pipeline of vital repairs.

Year by year, the investment income increases as the endowment builds. This is the core purpose of the Trust.

The apparent drop in grants to Chapter is correct in accounting terms but misleading in practice. Chapter benefited from a further £100,000 fee for the loan of the Hereford Magna Carta to the Museum of the Bible in Washington, DC. This was arranged by the Trust but was invoiced by Chapter as they are they are required to pay VAT on the loan fee.

The Administration fee reflects investment in what we hope will be a great event in 2023 for our overseas friends.

2021 saw a considerable increase in the value of the endowment through capital gains. This has settled back a little in 2022. Given the uncertainty of the investment environment as part of the wider sad picture, this must be an area of risk.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHAIR'S REPORT (continued)

Figures - Year ended 31 December 2021 (figures in italic are YE 31 December 2020)

	Unrestricted £	Restricted Choral £	Restricted Fabric £	Restricted Education £	Total 2021 £	Total 2020 £
Income						
Legacies	8,241	1,000	-	-	9,241	
	<i>22,000</i>	<i>20,024</i>	-	-	-	<i>42,024</i>
Annual donations	84,260	24,450	1,099	15,443	125,252	
	<i>186,265</i>	<i>72,795</i>	<i>35,125</i>	<i>11,360</i>		<i>305,545</i>
Covid Grants	86,450	-	-	-	86,450	
	<i>20,706</i>					<i>20,706</i>
Events	-	-	-	-	-	
	<i>696</i>					<i>696</i>
General grants	29,250	77,700	86,304		193,254	
	<i>5,033</i>	<i>69,500</i>	<i>574,190</i>			<i>648,723</i>
Investment Income	157,600	30,470	-	-	188,070	
	<i>136,482</i>	<i>30,695</i>				<i>167,177</i>
Other income	4,161	-	-	-	4,161	
Total Income	369,962	133,620	87,403	15,443	606,428	1,184,871
	<i>371,182</i>	<i>196,014</i>	<i>606,315</i>	<i>11,360</i>		
Expenditure						
Grants to Chapter	60,000	174,000	134,632	12,000	380,632	
	<i>102,000</i>	<i>189,128</i>	<i>674,190</i>	<i>12,000</i>		<i>977,318</i>
Administrative costs	141,769	2,026	-	-	143,795	
	<i>142,649</i>	<i>2,091</i>				<i>144,740</i>
Total expenditure	201,769	176,026	134,632	12,000	524,428	1,122,058
	<i>244,649</i>	<i>191,219</i>	<i>674,190</i>	<i>12,000</i>		
Capital						
Legacies received	-	40,017	-	-	40,017	-
	<i>816,571</i>	<i>11,800</i>				<i>828,371</i>
Unrealised gains/(losses)	429,592	69,099	-	-	498,691	
	<i>104,406</i>	<i>33,439</i>				<i>137,845</i>
Fund transfers	-	-	-	-	-	
	<i>(640)</i>			<i>640</i>		
Total capital movement	429,592	109,116	-	-	538,708	966,216
	<i>920,337</i>	<i>45,239</i>		<i>640</i>		
Fund transfers	637,802	66,710	(47,229)	3,443	620,709	1,029,029
Total Movement	<u>1,046,870</u>	<u>47,034</u>	<u>35,125</u>	<u>(640)</u>		
Net asset value at 1 Jan					5,282,964	4,253,935
Net asset value at 1 Dec					5,903,673	5,282,964

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHAIR'S REPORT (continued)

We are very grateful to all who give to the Trust, both to the Income and Capital funds and we remember with gratitude those who have left such generous legacies.

We welcome two new Trustees, the new Dean, Sarah Brown and Nick Harvey

Sarah became Dean of Hereford in October 2021. She comes to us from Peterborough Cathedral where she was Canon Missioner, Prior to ordination, Sarah read German at the University of Nottingham and then worked in corporate sales and marketing, including Proctor and Gamble and CCN marketing (now Experian) before starting a consultancy advising small businesses. She was Chief Executive of Farm Crisis Network between 2007 and 2011, during which time she studied theology and served her curacy. Since then, she has been a Team Vicar and Rural Dean. She has had a wide range of responsibilities and number of different Trusteeships.

Nick started his career at Allied Breweries. He was soon in a partnership building a communications Company, MMM Live, which had a client base of large companies. It was bought by Grass Roots Meetings and Events, a subsidiary of WPP in 2008. He continued with Grass Roots until he worked pro-bono for Concern Universal, a Hereford based humanitarian charity focused mainly on Sub-Sahara Africa. Subsequently he joined DRP, a large live communications company. He became a Canon and member of the Hereford Cathedral Chapter in 2018 which continued to 2021. Thus, he knows the Cathedral well.

We say goodbye and thank you to three Trustees, the Very Revd Michael Tavinor, Tania Hudson and the Revd Canon Andrew Piper.

Tania was Finance Director and Interim Chief Executive of the Hay Festival. She has decided to take up a new challenge outside Herefordshire which made continuing as a Trustee of the trust impossible. She was a source of invaluable advice in her time as a trustee and we shall miss her.

Andrew became a Trustee as acting Dean between the retirement of the previous Dean, Michael Tavinor and the appointment of the new Dean who, under the memorandum and articles of the Trust, becomes a Trustee by right of her post. Therefore, Andrew ceases to be a Trustee; however, he remains Precentor of the Cathedral and will continue to attend most meetings of the Trust.

In the Chief Executive's report which immediately follows, Glyn Morgan gives further detail of what was achieved in 2021 and expectations for 2022 and beyond.

Nat Hone DL
Chair

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHIEF EXECUTIVE'S REPORT

As most charities will be reporting, 2021 was a challenging year and one in which any forward planning was constantly a guessing game of how the Covid pandemic would develop, how Government and other regulations would change, often with short or no notice, and the changing attitudes of the general public and staff to risk and which changed across the generations. This was additionally challenging in an organisation where there was only one staff member and their need to isolate or be off sick could have a considerable impact, both short and long term.

However, despite these challenges, the Trust still met its financial commitments to Chapter and provided £480,362 of funding in revenue support, which included £100,000 fee for the loan of the Magna Carta which was arranged by the Trust. Support of £134,632 was given for fabric projects.

Trustees were delighted to be able to contribute an additional £50,000 to Chapter at the start of 2021 to meet the challenges of Covid and a further £45,000 to the cost of the Deanery works.

Part of sustaining of the revenue stream was the receipt of two emergency grants, for which we are most grateful. The Department for Digital, Culture, Media and Sport, through the Arts Council, had agreed a grant, split between the 2020 and 2021 financial years of £127,000 (£63,500 per financial year). The Cathedral Music Trust also supplied an emergency revenue grant of £35,650. The funding meant the reserves were protected, which in themselves provided important investment income. The support also allowed the Trust to be able to give the Chapter an indication of the revenue grants for 2022.

The Cloister project, restoring the eastern range and the covered walkway, along with improving the facilities for the choristers, was completed despite the challenges for Chapter of running a major building project during Covid lock downs. As to lever the external funding, trustees had agreed to draw down funds from the capital account to fully fund the project. Fortunately, due to some additional funding after works had started and more VAT reclaimed by Chapter than anticipated, only around two-thirds of the pledge had to be drawn down.

We are grateful to the National Lottery Heritage Fund and their staff for the tremendous support we received with the Cloister project as, working alongside Chapter, large parts of the building works and engagement programme had to be reconfigured.

Progress on the North Door and the Font are still delayed while difficult issues to do with design are negotiated. Focus has been elsewhere during the pandemic.

Every year there have been conversations between the trustees and the auditors regarding when legacies, specifically residuary, are recognised in our accounts. The trustees have debated the subject over a period of time, including seeing how inaccurate figures from the solicitors has an impact on our accounts and have confirmed that they only wish such income to be treated as income on the date of receipt. If the date should be between the end of the financial year and the publication of the draft accounts, they are willing to consider their inclusion in the previous year's accounts on individual basis. Obviously, specific gifts do not cause such an issue unless the gift fails.

Finally, after another challenging year may I record my thanks to all those who have supported the Trust financially over the past year. Despite Covid and restricted staffing, we have still been able to meet our revenue commitments to Chapter, complete the funding for a major project and build the capital fund. One of the original aspirations of the Trust was to create an 'endowment' to secure the cathedral's financial and pastoral future. I am delighted that we have made great progress towards this goal because of the generosity of so many

I also record my thanks to trustees, Chapter and Trust colleagues and to all those in the wider community who have given us support, counsel and done 'hard graft' for us during 2021 and throughout the past 25 years. It is never taken for granted. Thank you.

Glyn Morgan MBE
Chief Executive

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES REPORT

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. 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) (second edition, issued in October 2019).

“The Trust” throughout this report refers to the Hereford Cathedral Perpetual Trust being both a registered company and registered charity, on whose affairs for the year ending 31st December 2021 is the subject of this report.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

CHARITABLE OBJECTIVES

The object for which the Trust was established is set out in clause 3 of the Memorandum of Association.

Clause 3 reads as follows (some punctuation added for clarity):

The object for which the Trust is established is to promote the religious and charitable work of the Church of England by providing support for all or any of the charitable purposes to which the capitular revenues of the Chapter of the Cathedral Church of the Blessed Virgin Mary and St Ethelbert in Hereford (“the Cathedral”) are applicable including especially:

- 3.1 The promotion and maintenance to a high standard of choral services of the Church of England in the Cathedral (whether simple or elaborate) in such ways as the Board of Governors in its absolute discretion think fit including (but without prejudice to the generality of the foregoing); promotion of religious, musical and secular education of pupils attending any school in which the doctrines of the Church of England is given and performance of the choral services of the Church of England is observed; and also the repair, maintenance and renewal of the organs of the Cathedral the acquisition and maintenance of its musical books and manuscripts; and the employment of all staff including lay clerks, in connection with the Choral Services of the Cathedral; and
- 3.2 The preservation, maintenance and development of the Cathedral generally.

The Board has agreed the following more detailed definition of education object set out in the Memorandum of Association:

To support the educational and interpretational work of the Cathedral amongst people of all ages, in all areas of its mission and ministry, using the resources of the whole Cathedral Foundation.

This would include, but not exclusively, work with schools, colleges and universities; adult education, Sunday School, individuals, family groups, visitors and pilgrims; creating access and opportunities in the Library and Archives and associated exhibition; providing interpretative materials in promoting the cathedral and its mission; and relating Christianity to contemporary society.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

OPERATIONS

The Trust fulfils its charitable objective by the provision of funding and services to the Cathedral Chapter. The Cathedral Chapter is the legal entity and also its group of the equivalent of Trustees, which own and are responsible for the Cathedral and associated properties. Their charitable objective is to proclaim the Gospel of Christ in the City and Diocese of Hereford and in the wider world, by serving and inspiring all those who encounter the Cathedral and its community.

The Trust provides funding and services in the following ways:

The Trust is building a long-term investment fund (the "Capital Fund", intended to operate as a quasi-endowment) the income from which will provide a stable income to the Trust. This will contribute to a revenue surplus that can be granted to the Cathedral Chapter. Additions to the long-term investment fund come mainly from legacies and gifts. The Trust operates a policy of taking the first £10,000 of any legacy as revenue and adding the rest to the Capital Fund unless the donor has specified otherwise.

The Trust is very grateful to its regular donors. It seeks to grow the number of donors and ensure that donors are properly informed on how their donation is used and feel part of the Cathedral community.

The Trust holds events to raise money for the revenue account. It also provides assistance to Chapter for its own fundraising.

The Trust provides a service to Chapter by leading on fundraising and grant applications for a wide variety of Cathedral capital/fabric projects. The Trust is not responsible for the execution of fabric projects. Building contracts are entered into by Chapter. The Trust is responsible for fulfilling the requirements of the funders of the project, particularly the Heritage Lottery Fund.

The Trust also helps to raise the profile of the Cathedral and its works to the wider community, both nationally and internationally. As a result, Hereford Cathedral has supporters all around the world. The Trust organises the use of its assets, such as its magnificent choir and its 1217 Magna Carta, on visits that help raise funds, both directly and as a result of raising the profile, for the Trust and Chapter.

The Trust provides other assistance to Chapter including supporting project development, crafting projects suitable for external funding and in promoting the Chapter's activities and own programmes through Out of the Cloisters. The Trust continues to maintain close relations with other cathedrals, national bodies involved in the management of cathedrals, heritage organisation, government, Whitehall and various Royal Households

The Trust in partnership with the Chapter agrees an annual funding plan. This includes revenue support of the Choral Foundation and Education Department, along with unrestricted funding in support of staff and core revenue costs, with the goal of maintaining if not increasing this support in the future.

Funding for capital projects (which may pass through the Trust's account or may be paid directly to Chapter depending on the donor) is only confirmed when the full funding package is secured, or at least for a definable phase. Some grants, particularly those associated with the National Lottery Heritage Fund also contains funding for substantial amounts of educational work.

The Trust also finds funding for Cathedral events. In general, these will be smaller sums (less than £10,000) and the entire sum, other than clearly identifiable costs, is passed onto the Chapter. Such a case is the grant from the W A Cadbury Charitable Trust in support of the annual Holy Week performance of one of J S Bach's Passions, though in 2021 this independent grant was incorporated into the main choral grant with an expectation of a Holy Week 2021 performance or an appropriate variation depending on the then regulations.

POLICIES

Investment

The Trustees have wide powers of investment. Since 1998, its investments have been managed by Cazenove Capital, a trading arm of Schroder & Co. Limited, on a discretionary basis. Rather than running a discrete portfolio of directly held investments, the Trustees agreed with Cazenove that the funds should be invested in co-mingled funds managed by Cazenove suitable for charities and held for the long-term.

The Trust invested in one such funds during the financial year:

The Cazenove Responsible Multi-Asset Fund (RMAF) opened in February 2020.

RMAF aims to provide aims to provide income and capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten-year periods, but with strict ESG policies. RMAF is also designed specifically for charities and is authorised and approved by the Charity Commission. The Fund currently has exposure to 23 underlying holdings. The Fund has an explicit responsible investment policy, with screening aligned with common charity concerns and environmental, social and governance analysis, engagement and voting embedded into the equity investment process.

Cash awaiting disbursement for major projects is held in a number of interest-bearing bank accounts or in a suitable cash fund, as appropriate, normally with the Church of England's Central Board of Finance.

Cazenove Capital and Schrodgers have a dedicated and well-resourced responsible investment team. They have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. Schrodgers are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable investment and finance association and the European Sustainable Investment Forum. All investments in companies made by Cazenove on behalf of the Perpetual Trust are subject to their rigorous responsible investment and corporate governance policies. Both academic research and our own experience show that strong ESG management often delivers superior long-term returns. The appraisal of ESG factors is integrated in our stock and fund selection process.

Cazenove's corporate governance and responsible investment functions have been in existence since 1998. A dedicated section of their website sets out related policies, voting records, research reports and responsible investment reviews.

For further information on responsible investment, please go to <https://www.schroders.com/en/sustainability/corporate-responsibility/>. For more information on the RMAF, please go to <https://www.cazenovecapital.com/uk/charities/our-funds/>

Trustees monitor long-term performance carefully. At least once a year, representatives of the Trustees meet with the advisors along with representatives of the Mappa Mundi Trust, who also use Cazenove Capital and with the Chapter, who are also trustees of two other charities, and their separate advisors. Representatives of the diocesan investment committee are also invited as are trust representatives to the diocese review meeting. This enables trustees to review the performance of its investments compared to other investment managers.

In early 2021 the CMAF fund was transferred to the RMAF in whole due to the latter funds' improved performance and even stronger ECG policies.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

POLICIES (Continued)

Public benefit

As a charity registered in England and Wales, the Trust reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

The Trust has continued to work closely with the Chapter and funding has been provided to support the Choral Foundation, educational work of the Chapter and a number of fabric projects.

All the projects have included the engagement of the general public, as well as helping to protect our shared heritage.

Volunteers

When regulations allow, the Trust uses volunteers in two ways. Members of the Trustee body provide strategic, management, financial and other expertise, joined by other members of the Board of Governors and co-opted individuals in different areas of the Trust's work. A wider base of volunteers helps with, various fundraising events.

Fundraising

The charity fundraises primarily through institutions, trusts and foundations together with event-based fundraising and some individual donations. The charity does not engage in cold-calling or street-based fundraising or use third party fundraisers and all activities undertaken are directly monitored and controlled by the charity's staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The charity is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

Legacies

Subject to any specific wishes connected with a bequest, the first £10,000 of any legacy will be retained in order to meet the costs of running the legacy programme and in meeting any immediate financial needs. The balance will be invested in the Capital Fund under the guidance of the Investment Managers in consultation with the Trustees.

Any legal restriction on a bequest will be honoured, although should there be concern over the nature or the extent of the restriction and whether the Trust can honour the conditions, this will be clarified with the Executors before the gift is deposited. In the event of a bequest being received with conditions laid out in a Letter of Wishes, this will be honoured as far as possible by the Trustees and the Executors kept informed.

The legacy programme manages the relationship with potential benefactors, appropriate professionals and the Executors and families of those individuals from whom we have received bequests.

The Chief Executive is a member of the Church House Good Legacy Practice Group, which provides policy, best practice advice, theological thinking and practical support to diocesan funding officers and the church in general. The group of a dozen members meets up to three times each year.

Reserves

The Trust holds total funds of £5.9m, of which £0.8m are restricted for specific purposes whereas the balance of £5.2m is both unrestricted and largely held in investments which are relatively liquid.

The policy of the Trustees is to build up a Capital Fund with a view to the fund providing an increasing amount of reliable income over the long term. The Trustees have designated the invested unrestricted funds to reflect this intention. The balance of the unrestricted funds represents operational working capital.

The Trustees are content with the fund position and the designated fund is held in relatively liquid investments hence could be called upon in the event of any short-term reduction in working capital. For that reason, the Trustees consider a small unrestricted working capital balance to be adequate.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Reserves

It should be noted that the net current asset position at 31 December 2021 included accrued income from Cazenove of £53,500.

Legacies

A total of £50,000 was recognised in the form of known legacies, of which £40,000 was added to the Capital Fund and £10,000 was taken to the revenue account

The Trust is very grateful to have the following legacies from the following estates:

- The late Mrs Bridget Eastaugh, (choral)
- The late Mr Roy Alistair Stanier (choral)

There were no legacies accrued at the end of the financial year.

Substantial gifts

We are grateful to the following trusts, foundations and companies for their generosity.

Cathedral Music Trust
The Croft Trust
The Elmley Foundation
The Gilander Foundation
The Hawthorne Charitable Trust
The Leadership Trust Foundation
The Louis Nicholas Residuary Charitable Trust
The McCorquodale Charitable Trust
The Mumford Memorial Trust
The Pilling Trust
The Rowlands Trust
The Willing Adlington Cadbury Trust
Clive and Sylvia Richards Charitable Trust
GM Morrison Charitable Trust
Gerefa Charitable Trust
Hawkwood International Ltd
Museum of the Bible
National Lottery Heritage Fund
Pontrilas Developments Ltd
SR & PH Southall Charitable Trust
Tabor Charitable Trust
The Burley Weydon Trust
The Claire Hunter Charitable Trust

Investment Performance

The market value of the Trust's investment portfolio (including cash held for investment) at 31st December 2021 amounted to £5,541,010 (2020 £4,303,751).

In November 2020 it was agreed, at the start of the new financial year, to move the CMAF holding into the RMAF fund due to its marginally better performance and explicit responsible investment policy. This was completed by the end of February and all costs completed by the end of Q1 2021

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Significant in-kind support

Due to the Covid restrictions, neither of the events normally supported by Cotswold BMW & Mini Hereford were possible, though their continued commitment to the Trust is gratefully acknowledged.

FINANCIAL REVIEW

Details of the financial performance and financial position of the Trust are set out in the following accounts on pages 19 to 36.

For the year ended 31 December 2020, net income amounted to £620,709 (2020 £1,029,029). Funding amounting to £480,632 (2020-£977,318) were made during the year.

In 2020 the Trust's gross income was £646,445 (2020 £2,013,242), including legacies of £49,260 (2020 £870,395).

Expenditure for the year was £524,427 (2020 £1,122,058), which included grants to the Choral Foundation of £174,000 (2020 £168,000). Details of other grants which included £60,000 toward general Chapter running costs are included in note 7. An additional £100,000 was paid directly to Chapter for the loan of the Magna Carta, this loan was planned and actioned by the Trust.

Principal funding sources

One of the principal funders of the Trust is the National Lottery Heritage Fund to whom the Trust applies for grants to support projects in accordance with its objectives.

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds, including the Choral Investment Fund, are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

FUTURE PLANS

Subject to the current review, the Trust will continue to develop its links with supporters – local, national and international. It will continue to strengthen its relationships with grant making bodies and bring on board new charitable and corporate supporters. It will continue to explore the opportunities to use the cathedral artefacts to generate significant gifts to its capital fund.

The Trust's focus will remain on:

- Growing its Capital Fund held in investments to provide a secure long term income stream
- Supporting the revenue income of the Chapter through various annual regular and one-off grants
- Securing external funding to support conservation, restoration and major projects
- Funding its own structure and staffing

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee and not having any share capital. The Trust was incorporated on 8th November 1995 as company number 3123592 and is registered with the Charity Commission with charity number 1051168. The Trust operates in accordance with its Memorandum and Articles of Association as amended by written Resolution effective 11th June 2008 and pursuant to the consent of the Charity Commission pursuant to Section 64 Charities Act 1993.

It should be noted that the 8 November 2020 was the twenty-fifth anniversary of the signing of the original trust deed and the 15 December the same anniversary for the first official meeting of the founding trustees, of which a number are still closely involved and to whom we are grateful for their vision and commitment.

Charity Constitution

The maximum number of named Governors (members) is one hundred. A maximum of eight governors plus the Dean of Hereford (by virtue of his office) are the Trustees. The Trustees manage the business of the Trust. Individuals may be invited by the Trustees to become Governors.

The Trust seeks to maintain an appropriate mix of skills and experience among the Trustees, especially in the areas of finance, business and governance, combined with an understanding of the role and mission of the Cathedral.

Recruitment and appointment of new Trustees

Trustees (who are elected by the Governors) are recruited from time to time to provide the skills needed to manage the Trust and to broaden the network of professional and personal contacts. The composition of the Trustee body is reviewed periodically. Trustees must be Governors (members) of the Trust.

Organisational structure

A Board of Trustees manage the trust. Until 15th June 2008 certain powers were delegated to the Council of Management; on that date, by written resolution of the Members, the Council of Management was replaced by the Executive, whose members are the Trustees.

The Trustees are responsible for the overall strategy and financial commitments of the Trust and are supported in this by the Chief Executive who manages the day-to-day operations of the Trust. Committees consisting of Trustees, and co-opted individuals with special expertise, are appointed from time to time to administer specific areas of work on behalf of the Trustees.

While the Chapter's Finance and Risk Committee only have a statutory duty to advise the Chapter on its accounts and risk, the Trust shares many of its documents (not least its annual accounts and investment reports) with the committee as to help better inform the whole cathedral family on its financial position. The Trust is able to nominate one Trustee, normally the Chairman, to be a member of the committee.

A separate investment group, led by a member of the finance and risk committee also coordinates an annual meeting with the investment managers for the Chapter and associated charities, the Mappa Mundi Trust and the Perpetual Trust. The Diocesan Board of Finance is also invited to attend as to enable a broad view. The meeting is held in Hereford. Approximately six months later, an informal meeting is held in London with each of the investment managers to maintain an awareness of the then situation. If a significant gift is to be invested, such as a large legacy, a separate meeting may be held, either in person or by telephone. Regular reports, both in print and electronic are regularly received by various Trustees and the Chief Executive.

Induction and training of new Trustees

An induction and training programme is arranged for new Executive members, tailored to meet their individual needs. It typically includes Trustee responsibilities and governance, governing documents, the roles of the Trust and Chapter, the work of the Cathedral, current commitments and future plans. New Trustees meet fellow Trustees and Cathedral personnel.

Key management remuneration

The remuneration of key management is decided by the Board of Trustees.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Very Revd Michael Tavinor, as Dean of Hereford, was both a Trustee of the Perpetual Trust (ex-officio) and a member of Chapter. He retired from the office on 28 February 2021. The Revd Canon Andrew Piper was appointed to the position of Acting Dean from 1 March 2021 until the installation of the new Dean. The Very Revd Sarah Brown became Dean 2nd October and assumed the ex-officio place on the board, replacing The Revd Canon Andrew Piper. Her conflicts are as previously that she is a member of both the Trustees of the Trust and Chapter.

During the year, processes are in place where all grants to Chapter are recorded in the Chief Executive's report to Trustees, along with identifying any payments likely to be made before the next Trustees' meeting, so Trustees are aware of what has been paid to the Chapter during each period. Any payments are confirmed in advance wherever possible.

Claims such as those to the National Lottery Heritage Fund are passed through the Trust and are forwarded to the Chapter as soon as possible and with cheques often being prepared for the transfer ahead of receipt of the funds as to ensure as fast a transfer of funds to the Chapter as possible once the funds have been received.

Risk management

The Trustees continue to monitor the major risks which the Trust faces and seek to reduce those risks. At present in this uncertain economic climate there are risks with fundraising. Lower income from investments affects the Trust and also the donors to whom the Trust applies for grants. There is a risk that the Trust is unable to raise sufficient funding to meet the aspirations of the Chapter to cover its own running costs.

A major risk is the performance of the Trust investment portfolio and the income from it. Comments on this are contained in the Financial Review.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03123592 (England & Wales)

Registered Charity number

1051168

Principal address

5 College Cloisters
The Close
Hereford
Herefordshire
HR1 2NG

Trustees

Mr Nat Hone DL

Mrs Julia Budd

Dr Michiel Timmerman

Canon Andrew Piper (Acting Dean)

The Very Revd Sarah Brown

Chair

Appointed 19th February 2021

Appointed 1st March 2021 Resigned 2nd October 2021

Appointed 2nd October 2021

The Very Revd Michael Tavinor

Retired 28 February 2021

Patron

HRH The Prince of Wales

Vice-Presidents

The Lord-Lieutenant of Herefordshire (Mr Edward Harley OBE)

The Lord-Lieutenant of Shropshire (Mrs Anna Turner)

The Dowager Countess of Darley CVO

Mr Tom Davies

Sir Thomas Dunne KG KCVO

Sir Algernon Heber-Percy KCVO

Key management personnel

Mr Glyn Morgan MBE

Chief Executive Officer

Company Secretary

Mr Glyn Morgan MBE

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

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

Gabbs Solicitors

14 Broad Street
Hereford
HR4 9AP

Bankers

Lloyds TBS plc
8 High Town
Hereford
HR1 2AE

The Central Board of Finance

Senator House
85 Queen Victoria Street
London
EC4V 4ET

Investment Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

THE HEREFORD CATHEDRAL PERPETUAL TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Hereford Cathedral Perpetual Trust for the purpose of company law) are responsible for preparing 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".

Company law 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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust 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 that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ACKNOWLEDGEMENTS

The Trust greatly appreciates the very generous support of many individuals, Trusts and organisations, the close co-operation with Chapter and the work of the Cathedral volunteers. It owes a particular debt of gratitude to its staff.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 15th June 2022 and signed on its behalf by:


.....
Mr Nat Hope DL – Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

THE HEREFORD CATHEDRAL PERPETUAL TRUST

Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust for the year-ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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 charitable company's affairs as at 31 December 2021 and its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, Chair's Report and Chief Executive's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEREFORD CATHEDRAL PERPETUAL TRUST (CONT)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or
- the charitable company financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory framework pertaining to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HEREFORD CATHEDRAL PERPETUAL TRUST (C**

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 28 June 2022

THE HEREFORD CATHEDRAL PERPETUAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations & legacies	2	208,201	246,013	454,214	1,824,663
Other trading activities	3	4,161	-	4,161	21,402
Investment income	4	157,600	30,470	188,070	167,177
Total		<u>369,962</u>	<u>276,483</u>	<u>646,445</u>	<u>2,013,242</u>
EXPENDITURE ON					
Raising funds	5	65,097	2,026	67,123	46,926
Charitable activities					
Grantmaking	6	136,672	320,632	457,304	1,075,132
Total		<u>201,769</u>	<u>322,658</u>	<u>524,427</u>	<u>1,122,058</u>
Net income before investment movements		168,193	(46,175)	122,018	891,184
Unrealised gains on investments	14	429,592	69,099	498,691	137,845
NET INCOME		<u>597,785</u>	<u>22,924</u>	<u>620,709</u>	<u>1,029,029</u>
Transfers between funds	17	-	-	-	-
Net movement in funds		<u>597,785</u>	<u>22,924</u>	<u>620,709</u>	<u>1,029,029</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,530,909	752,055	5,282,964	4,253,935
TOTAL FUNDS CARRIED FORWARD		<u><u>5,128,694</u></u>	<u><u>774,979</u></u>	<u><u>5,903,673</u></u>	<u><u>5,282,964</u></u>

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST**BALANCE SHEET****AT 31 DECEMBER 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
FIXED ASSETS					
Tangible assets	13	-	-	-	-
Investments	14	4,853,129	687,881	5,541,010	4,303,751
		<u>4,853,129</u>	<u>687,881</u>	<u>5,541,010</u>	<u>4,303,751</u>
CURRENT ASSETS					
Debtors	15	58,690	-	58,690	788,029
Cash at bank and in hand		248,655	87,098	335,753	363,710
		<u>307,345</u>	<u>87,098</u>	<u>394,443</u>	<u>1,151,739</u>
CREDITORS					
Amounts falling due within one year	16	(31,780)	-	(31,780)	(172,526)
		<u>275,565</u>	<u>87,098</u>	<u>362,663</u>	<u>979,213</u>
NET CURRENT ASSETS					
		<u>5,128,694</u>	<u>774,979</u>	<u>5,903,673</u>	<u>5,282,964</u>
FUNDS					
Unrestricted funds	17	5,128,694	-	5,128,694	4,530,909
Restricted funds		-	774,979	774,979	752,055
		<u>5,128,694</u>	<u>774,979</u>	<u>5,903,673</u>	<u>5,282,964</u>
NET ASSETS					
		<u>5,128,694</u>	<u>774,979</u>	<u>5,903,673</u>	<u>5,282,964</u>

The notes form part of these financial statements.

The financial statements were approved by the Board of Trustees on 15th June 2022 and were signed on its behalf by:

.....
Mr Nat Hone DL - Trustee

THE HEREFORD CATHEDRAL PERPETUAL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	522,541	64,160
Net cash provided by operating activities		<u>522,541</u>	<u>64,160</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(3,675,277)	(68,523)
Sale of fixed asset investments		2,865,823	-
Movement on cash held in investments		70,886	8,098
Interest received		818	216
Dividends received		187,252	166,961
Net cash used in investing activities		<u>(550,498)</u>	<u>106,752</u>
Change in cash and cash equivalents in the reporting period		<u>(27,957)</u>	<u>170,912</u>
Cash and cash equivalents at the beginning of the reporting period		<u>363,710</u>	<u>192,798</u>
Cash and cash equivalents at the end of the reporting period		<u><u>335,753</u></u>	<u><u>363,710</u></u>

A statement of changes in net debt has not been presented as the charitable company has no borrowings and hence no net debt.

The notes form part of these financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	620,709	1,029,029
Adjustments for:		
Depreciation charges	-	-
Gains on investments	(498,691)	(137,845)
Interest received	(818)	(216)
Dividends received	(187,252)	(166,961)
Decrease/(increase) in debtors	729,339	(703,255)
(Decrease)/increase in creditors	(140,746)	43,408
Net cash provided by operating activities	<u>522,541</u>	<u>64,160</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 principal area of judgment and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

Going concern basis

The financial statements are prepared on a going concern basis which assumes that the charity will continue to operate for the foreseeable future and for a minimum period of 12 months from the approval of the financial statement. Having considered the financial position of the charity and bearing in mind the discretionary nature of much of the expenditure, the Trustees are content that this basis remains appropriate, and that there is no material uncertainty connected with the Trust's ability to continue to operate as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

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.

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.

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. Support costs include office costs, finance personnel, payroll and governance costs which support the Trusts activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

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.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3. OTHER TRADING ACTIVITIES

	31.12.21	31.12.20
	£	£
Events	-	11,352
Eastern Cloister project management charge (Chapter)	-	10,050
Expenses recoverable	4,161	-
	<u>4,161</u>	<u>21,402</u>

4. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Dividend income	187,252	166,961
Interest receivable	818	216
	<u>188,070</u>	<u>167,177</u>

5. RAISING FUNDS

	31.12.21	31.12.20
	£	£
Direct fundraising expenses	14,556	746
Promotional material	3,443	4,292
Payroll costs	20,603	15,490
Support costs apportioned	17,751	14,888
	<u>56,353</u>	<u>35,416</u>
Sub-total-costs of generating voluntary income		
	56,353	35,416
Investment management costs	10,770	11,510
	<u>67,123</u>	<u>46,926</u>
Total cost of raising funds		
	67,123	46,926

6. CHARITABLE ACTIVITIES - 2021

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Grant making	<u>13,736</u>	<u>380,632</u>	<u>62,936</u>	<u>457,304</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6. CHARITABLE ACTIVITIES – 2020

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Grant making	45,137	977,318	52,677	1,075,132

7. GRANTS PAYABLE

	31.12.21	31.12.20
	£	£
Grants and donations	380,632	977,318
	31.12.21	31.12.20
	£	£
<i>Fabric</i>		
Eastern Cloister Project contributions	89,632	674,190
Deanery and canonical properties	45,000	-
Booth Porch Chapel project	-	1,875
Font project	-	14,160
Recovery of VAT from 2017-18	-	93
	<u>134,632</u>	<u>690,318</u>
<i>Choral / Music</i>		
Choral Foundation grants	174,000	168,000
St Matthew Passion	-	5,000
	<u>174,000</u>	<u>173,000</u>
<i>Education</i>		
Education grant	12,000	12,000
<i>Other</i>		
General Chapter running costs	60,000	102,000
	<u>380,632</u>	<u>977,318</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

8. SUPPORT COSTS – 2021

	Fundraising £	Grantmaking £	Totals £
Support and governance costs	17,751	62,936	80,687

SUPPORT COSTS - 2020

	Fundraising £	Grantmaking £	Totals £
Support and governance costs	14,888	52,677	67,565

9. NET INCOME

Net income is stated after charging

	31.12.21 £	31.12.20 £
Auditors' remuneration (net of VAT)		
- for audit current year	11,800	5,300
- prior year under accrual	-	2,000
- non-audit	7,500	2,750

The total cost to the Trust including irrecoverable VAT of £3,860 was £23,600 (2020: £12,060 including irrecoverable VAT of £2,010).

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2021. Donations received from trustees in total were £975 together with £500 received from a charity of which a trustee is chair (2020: £900 together with £500 received from a charity of which a trustee is chair). Donations received from staff were in total £1,800. During the year, no trustees' expenses were reimbursed (2020 £nil).

11. STAFF COSTS

	31.12.21 £	31.12.20 £
Wages and salaries	59,800	83,430
Social security costs	2,908	5,050
Other pension costs	5,968	7,857
	<u>68,676</u>	<u>96,337</u>

The key management personnel of the Trust comprise the unremunerated trustees and the Chief Executive. The total employee benefits of the key management personnel of the Trust, including employer's pension and national insurance contributions, were £68,676 (2020: £71,420).

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

	31.12.21	31.12.20
Administration of the Trust	<u>1</u>	<u>2</u>

No employee was paid more than £60,000 per annum (excluding non-taxable benefits and employer's NI) during the current or preceding year.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM			
Donations & legacies	1,040,266	784,397	1,824,663
Other trading activities	11,005	10,397	21,402
Investment income	136,482	30,695	167,177
	<u>1,187,753</u>	<u>825,489</u>	<u>2,013,242</u>
Total			
EXPENDITURE ON			
Raising funds	44,835	2,091	46,926
Charitable activities	199,814	875,318	1,075,132
Grants and Donations	<u>244,649</u>	<u>877,409</u>	<u>1,122,058</u>
Total	943,104	(51,920)	891,184
Net income before investment movements	104,406	33,439	137,845
Net gains on investments	<u>1,047,510</u>	<u>(18,481)</u>	<u>1,029,029</u>
NET INCOME/(EXPENDITURE)			
Transfers between funds	(640)	640	-
Net movement in funds	<u>1,046,870</u>	<u>(17,841)</u>	<u>1,029,029</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	3,484,039	769,896	4,253,935
TOTAL FUNDS CARRIED FORWARD	<u><u>4,530,909</u></u>	<u><u>752,055</u></u>	<u><u>5,282,964</u></u>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2021 and 31 December 2021	20,580
DEPRECIATION	
At 1 January 2021	20,580
Charge for the year	-
31 December 2021	<u>20,580</u>
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	<u><u>-</u></u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

14. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2021	4,232,865	70,886	4,303,751
Additions	3,675,277	-	3,675,277
Disposals	(2,865,823)	(70,886)	(2,936,709)
Gains on investments	498,691	-	498,691
	<u>5,541,010</u>	<u>-</u>	<u>5,541,010</u>

There were no investment assets outside the UK.

Represented by:

	31.12.21 £	31.12.20 £
Cash	-	70,886
Cazenove Charity Multi-Asset Fund	-	2,846,062
Cazenove Responsible Multi-Asset Fund	5,541,010	1,386,803
	<u>5,541,010</u>	<u>4,303,751</u>
Historic cost of investments	<u>3,200,748</u>	<u>2,462,182</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Accrued income	53,466	775,999
Prepayments	3,655	3,655
Other debtors	1,569	8,375
	<u>58,690</u>	<u>788,029</u>

Accrued legacy income in 2020 is £53,000 (2020: £699,500).

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	13,079	724
Accruals and deferred income	18,701	171,802
	<u>31,780</u>	<u>172,526</u>

17. MOVEMENT IN FUNDS - 2021

	At 1.1.21	Net movement in funds	Transfers between funds	At 31.12.21
	£	£	£	£
Unrestricted funds				
Long term investment	3,507,965	-	1,345,164	4,853,129
Working capital	1,022,944	597,785	(1,345,164)	275,565
	<u>4,530,909</u>	<u>597,785</u>	<u>-</u>	<u>5,128,694</u>
Restricted funds				
Education Fund	-	3,443	-	3,443
Fabric Fund	49,657	(47,229)	-	2,428
Choral Funds	621,171	66,710	-	687,881
Eastern Cloister Delivery Fund	-	-	-	-
Font Project	81,227	-	-	81,227
	<u>752,055</u>	<u>22,924</u>	<u>-</u>	<u>774,979</u>
TOTAL FUNDS	<u>5,282,964</u>	<u>620,709</u>	<u>-</u>	<u>5,903,673</u>

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

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	369,962	(201,769)	429,592	597,785
Restricted funds				
Education Fund	15,443	(12,000)	-	3,443
Fabric Fund	1,099	(48,328)	-	(47,229)
Choral Funds	173,637	(176,026)	69,099	66,710
Eastern Cloister Delivery Fund	86,304	(86,304)	-	-
Font Project Fund	-	-	-	-
	<u>276,483</u>	<u>(322,658)</u>	<u>69,099</u>	<u>22,924</u>
TOTAL FUNDS	<u>646,445</u>	<u>(524,427)</u>	<u>498,691</u>	<u>620,709</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS (CONTINUED) – 2021

The comparative figures for movement in funds are as follows:

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
Long term investment	3,394,787		113,178	3,507,965
Working capital	89,252	1,047,510	(113,818)	1,022,944
	<u>3,484,039</u>	<u>1,047,510</u>	<u>-</u>	<u>4,530,909</u>
Restricted funds				
Education Fund	-	(640)	640	-
Fabric Fund	145,548	111	(96,002)	49,657
Choral Funds	569,809	51,362	-	621,171
Eastern Cloister Delivery Fund	-	(83,502)	83,502	-
Font Project	54,539	14,188	12,500	81,227
	<u>769,896</u>	<u>(18,481)</u>	<u>640</u>	<u>752,055</u>
TOTAL FUNDS	<u>4,253,935</u>	<u>1,029,029</u>	<u>-</u>	<u>5,282,964</u>

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

Unrestricted funds				
General fund	1,187,753	(244,649)	104,406	1,047,510
Restricted funds				
Education Fund	11,360	(12,000)	-	(640)
Fabric Fund	2,079	(1,968)	-	111
Choral Funds	193,014	(175,091)	33,439	51,362
Eastern Cloister Delivery Fund	590,688	(674,190)	-	(83,502)
Font Project Fund	14,188	-	-	14,188
Architectural Heritage	14,160	(14,160)	-	-
	<u>825,489</u>	<u>(877,409)</u>	<u>33,439</u>	<u>(18,481)</u>
TOTAL FUNDS	<u>2,013,242</u>	<u>(1,122,058)</u>	<u>137,845</u>	<u>1,029,029</u>

Transfers between funds

Transfers between funds made relate to (i) projects subsidised by the unrestricted fund (ii) the transfer between the long-term investment fund and the working capital fund made to order to show the long-term investment fund separately.

Funds Detail

Unrestricted Funds

The Trustees have designated the greater part of the unrestricted funds as a long-term fund represented by investments. Within this amount they have further earmarked £45,000 for Clergy Housing. The balance of the unrestricted fund represents the operational working capital of the Trust.

Restricted Funds

The Fabric Fund has been established to provide financial support for the maintenance of the fabric of Hereford Cathedral.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

The Choral Funds comprise a fund established to provide financial support to the Choral Foundation of Hereford Cathedral in relation to promotion of the religious, musical and secular education of pupils, the repair, maintenance and renewal of the organ of the Cathedral and the acquisition and maintenance of its musical books, manuscripts and the employment of all staff including lay clerks in connection with the Choral Services of the Cathedral. Within the Choral Funds, the Choral Investment Fund forms part of the investment portfolio held. The fund has been established to generate income to support the Choral Foundation of Hereford Cathedral. Gains and losses on the investment are reflected in the fund balance.

The Education Fund is used to assist the Cathedral in running its education programme with schools, colleges and universities, along with the adult sector.

18. RELATED PARTY DISCLOSURES

Hereford Cathedral

The Dean of Hereford is both a trustee of Hereford Cathedral Perpetual Trust and presides the Chapter of Hereford Cathedral. The present Dean, The Very Reverend Sarah Brown has been a trustee since 2 October 2021, and the previous Dean, The Very Reverend Michael Tavinor was a trustee until 28 February 2021. The Reverend Andrew Piper was acting Dean and a trustee between 1 March 2021 and 2 October 2021.

Nat Hone, a trustee and Chairman of the Perpetual Trust, represents the Trust, as Chair, on the Chapter's Finance and Risk Committee.

During the year £380,632 (2020 £977,318) of grants were made to the Chapter of Hereford Cathedral. Details of the grants can be found in note 7. At the year-end £Nil was due to the Chapter (2020: £48,891).

Hereford Cathedral Enterprises Limited

Hereford Cathedral Enterprises Limited is a wholly owned subsidiary of Hereford Cathedral of which the Dean of Hereford is a Trustee.

During the year £262 (2020 £nil) of goods and services were purchased from Hereford Cathedral Enterprises Ltd. At the year-end £Nil (2020 £nil) was outstanding.

19. SHARE CAPITAL

The Hereford Cathedral Perpetual Trust is a company limited by guarantee (registered in England and Wales) and does not have a share capital.

20. GUARANTEE

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up during the time that he or she is a member or within one year afterwards for payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up the same and for adjustment of the rights of contributors amongst themselves, such as may be required not exceeding, in the case of any member, the sum of £1.

21. FUNDS ADMINISTERED FOR HEREFORD CATHEDRAL

During the year, the Trust facilitated the loan of the Hereford Magna Carta to the Museum of the Bible in Washington DC on behalf of Hereford Cathedral which owns the Magna Carta. £100,000 was received by the Trust in relation to the loan and remitted onto the Cathedral. These amounts are not included in the Trust's Statement of Financial Activities.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.21 £	31.12.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	279,704	579,223
Donations	108,224	347,430
Gift Aid	17,026	27,615
Legacies	49,260	870,395
Total incoming resources	454,214	1,824,663
Other trading activities		
Events	-	11,352
Income from Chapter (project management charge)	-	10,050
Expenses recoverable	4,161	-
	4,161	21,402
Investment Income		
Dividend income – (Cazenove)	187,252	166,948
Interest receivable	818	229
	188,070	167,177
Total income	646,445	2,013,242
EXPENDITURE		
Fundraising		
Direct fundraising expenses	14,556	746
Promotional materials	3,443	4,292
Payroll and related costs	20,603	15,490
Apportionment of support costs	17,751	14,888
	56,353	35,416
Investment management costs		
Portfolio management	10,770	11,510
Charitable activities		
Staff costs	13,736	45,137
Apportionment of support costs	62,936	52,677
	76,672	97,814

This page does not form part of the statutory financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.21 £	31.12.20 £
Support costs and governance costs		
Staff costs	34,337	35,710
Auditors' remuneration (including VAT)	14,160	8,760
Auditors' remuneration for non-audit work (including VAT)	9,000	3,300
Accountancy	4,420	60
Legal fees	2,400	-
Other professional fees	7,825	2,038
Computer and software costs	5,427	2,945
Postage and stationery	601	10,021
Insurance	1,445	1,448
Other overhead	1,072	3,283
Allocation to fundraising of charitable activities	(80,687)	(67,565)
	-	-
Total expenditure	143,795	144,740
Net income before grants to Chapter	502,650	1,868,502
Grants to Chapter (see note A)	(380,632)	(977,318)
Net income/(expenditure) excluding investment gains	122,018	891,184

NOTE A

The total grants paid to Chapter during the year were as follows:

	31.12.21 £	31.12.20 £
<i>Fabric</i>		
Eastern Range/Cloister Project contributions	89,632	674,190
Deanery and canonical properties	45,000	-
Porch Chapel project	-	1,875
Font project	-	14,160
Recovery of VAT from 2017-18	-	93
	134,632	690,318
<i>Choral / Music</i>		
Choral Foundation grants	174,000	168,000
St Matthew Passion	-	5,000
	174,000	173,000
<i>Education</i>		
Education grant	12,000	12,000
<i>Other</i>		
General Chapter running costs	60,000	102,000
	380,632	977,318

This page does not form part of the statutory financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

England & Wales - Charity number 1051168

Accounts

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



HEREFORD
CATHEDRAL

PERPETUAL TRUST

REGISTERED COMPANY NUMBER: 03123592 (England & Wales)

REGISTERED CHARITY NUMBER: 1051168

THE HEREFORD CATHEDRAL PERPETUAL TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Chair and Chief Executive's Reports	1 to 4
Trustees' Report	5 to 15
Report of the Independent Auditors	16 to 18
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23 to 32
Detailed Statement of Financial Activities	33 to 34

THE HEREFORD CATHEDRAL PERPETUAL TRUST

CHAIR AND CHIEF EXECUTIVE'S REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CHAIR'S REPORT

This is my second report to the Governors since being elected Chair of the Hereford Cathedral Perpetual Trust ("the Trust"). When I wrote my report last year, the first UK Covid-19 lockdown was in progress. I failed to predict that, a year later, a third lockdown would be in place. The world continues to endure a terrible ordeal in lives lost and ruined. The prospect of a return to what is described as a new normal has appeared on the horizon as the vaccine programme rolls out but uncertainty still rules our lives. We have all been forced to find new ways of living and be innovative. We look forward to being able to socialise again. It is so central to the Church and what the Trust does but it will take some time for us all to relax.

Our Cathedral has not escaped and nothing has been as we knew it; however, it has risen to the occasion magnificently, using communications technology to the full to provide spiritual sustenance to a wider audience than ever before. The financial outlook was dire but a combination of Government and grant-making bodies, including the Trust, has enabled it to survive 2020. 2021 continues to be a challenge.

The core purpose of the Trust, as set out in more detail on page 5, is to continue to build a Capital Fund, (a quasi-endowment fund but without the restrictions of a true endowment), that is invested to produce income, after the Trust's costs, to make grants to the Chapter of Hereford Cathedral ("Chapter"). Although the Trust's charitable objectives specifically refer to the maintenance of the choral tradition of the Cathedral, much of the grant is unrestricted and can be used by Chapter as needed. The grant is supplemented by net income from events, by annual fund-raising run by the Trust and other initiatives.

The Trust has had a good year, increasing its net assets from £4,253,935 to £5,282,964. The following table sets out the high-level breakdown of the financial performance.

	Unrestricted £	Restricted £	Project £	Total £
Revenue				
Legacies	22,000	20,024		42,024
Donations	196,662	108,883		305,545
Other income	11,005	10,397		21,402
Grants	5,033	69,500	574,190	648,723
Investment Income	136,482	30,695		167,177
Total Income	371,182	239,499	574,190	1,184,871
Expenditure				
Grants to Chapter	102,000	201,128	674,190	977,318
Administrative costs	142,649	2,091		144,740
Total expenditure	244,649	203,219	674,190	1,122,058
Capital				
Capital inflow	816,571	11,800		828,371
Unrealised gains/(losses)	104,406	33,439		137,845
Total capital movement	920,977	45,239		966,216
Fund transfer for project	(640)	(99,360)	100,000	-
Total Movement	1,047,510	81,519	(100,000)	1,029,029
NAV 1 st Jan 2020	3,484,039	769,896		4,253,935
NAV 31 st Dec 2020	4,530,909	752,055		5,282,964

THE HEREFORD CATHEDRAL PERPETUAL TRUST
CHAIR AND CHIEF EXECUTIVE'S REPORTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Events in 2020 have not been able to take place which has been sad both financially and in the loss of the joy that they bring. The first half of 2021 looks similar. We are very grateful to all who give to the Trust, both to the Income and Capital Funds, and we remember with gratitude those who have left such generous legacies.

We welcome three new Trustees, Tania Hudson, Julia Budd and Andrew Piper.

Tania is the Finance Director and Interim Chief Executive of the Hay Festival. She is a fellow of the Chartered Institute of Management Accountants and a qualified teacher of Mathematics. She has many years of experience in senior finance roles across the commercial and not-for-profit sectors including Finance Director of Scope and Historic Royal Palaces. She is also a Trustee of the Little Princess Trust.

Julia co-founded the executive search company, Zygos Partnership, which was bought by Russell Reynolds where she now works. She is Chair of Epsom Downs Racecourse and also Chair of The British Racing school. Julia recently finished her stint as deputy senior steward of The Jockey Club. She is a Trustee of a number of charities.

Andrew is the Precentor of Hereford Cathedral and, following his appointment as Acting Dean, is serving by virtue of his office as a Trustee of the Trust, until the new Dean takes office.

We say goodbye and thank you to two Trustees, Michael Tavinor and Andrew Wynn.

Michael Tavinor retired as Dean. Michael became Dean soon after the Trust was established and has been a very important influence in the development of the Trust. We thank him for his great contribution to the Trust, the Cathedral and the Diocese.

Andrew Wynn has been involved in a number of Trust initiatives. He continues to bring his great experience, as a naval officer and then a bursar, to the Finance, Audit and Risk committee of Chapter.

Overshadowing the year was the death of Erica Manley. Erica has been as much part of the Trust as Glyn over almost twenty years. We miss her enormously. Glyn has worked with Erica for twenty years so it is right that Glyn should honour Erica's contribution.

In the Chief Executive's report which immediately follows, Glyn Morgan gives further detail of what was achieved in 2020 and expectations for 2021 and beyond. His report starts with a tribute to Erica.

Nat Hone DL
Chair of Trustees

THE HEREFORD CATHEDRAL PERPETUAL TRUST
CHAIR AND CHIEF EXECUTIVE'S REPORTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

CHIEF EXECUTIVE'S REPORT

While 2020 may have opened optimistically it was to be a year of challenge and sadness despite its successes.

The most significant of these was the death of Erica Manley, who had been the Trust's much-loved events coordinator for almost twenty years. During her time with the Trust she had led, developed and organised numerous events at the Cathedral, in Herefordshire and in London, as well as being part of the 2014 Magna Carta tour to Houston, Texas. She will be greatly missed by all, not least her colleagues and those she worked with over the years. We have been touched by the many donations in her memory that the Trust has received. May she rest in peace and rise in glory.

Covid-19 obviously dominated the year and little did we know at the start of 2020 how all organisations would have to adapt, flex and refocus on the changed conditions, while trying to meet their financial commitments. We have largely been able to do this with the support of the Treasury through its furlough system and emergency grants from Herefordshire Council, the Department of Digital, Culture, Media and Sport/Arts Council England and the Cathedral Music Trust. Many Trusts and individuals were also able to step forward with additional support, for which we are grateful, as it enabled us to meet our revenue and capital grants to Chapter without too significant an impact on the Trust's Capital Fund.

The restoration and conservation of the eastern range of the College of Vicars Choral was a project which secured National Lottery Heritage Fund (formerly the Heritage Lottery Fund) and other support in 2019. The matched funding package included an important contribution of £100,000 from the Trust's Capital Fund. The work was largely completed during 2020. For the Trust, this principally involved reporting to, negotiations with, and the submission of claims to the National Lottery Heritage Fund and other funders as appropriate. As part of the project, it was possible to incorporate the addition of two public toilets, one with disabled provision, improving both Chapter's safeguarding protocols and also general facilities in the cloisters.

As the eastern range of the cloisters also includes the Choir House, the project has considerably increased the provision of facilities for the choristers. Various recordings, made during the year and from the archives, brought much pleasure to many and significantly increased the Cathedral's online reach.

A key element of the cloister project was the outreach and learning elements of the programme, largely run by Sarah Hollingdale, the project's Activity Officer and Chapter's Accessibility Ambassador. Delivery of the planned programme was inevitably compromised but using other media and imaginative programmes, Sarah still achieved almost all of the outcomes. Sarah left the Cathedral at the end of the project and we wish her well with her future career.

At the start of the year, Hannah McSherry left the Trust to move to a new position with Herefordshire Council though she continued, on a freelance basis, until mid-summer as the reporting officer to the Lottery. We record our grateful thanks to her for her commitment and dedication to the Trust, both as a staff member and in her later role.

Away from fabric projects, the Trust has continued to build its Capital Fund, which will provide a secure long-term financial income for the Trust and, through it, Chapter. The benefits of a secure income stream, away from a dependency on congregation, pilgrim and tourist income has been highlighted over the past year and has been held up as a national exemplar.

During the year and early into 2021 the Capital Fund has been significantly enhanced by a number of legacies, and through a loan of the Magna Carta. The knowledge of the projected increased income from the investments has enabled the Trust to commit to its 2021 revenue grants to Chapter, which allowed Chapter in turn to confirm its status as a going concern. Significant work and focus remaining on building the Capital Fund as a secure financial base will remove the uncertainty that, through its grants, Chapter has had for many decades, if not centuries.

The Trust has indicated that it is likely to be able to make revenue grants of £288,000 plus additional grants of £50,000 (unrestricted) and £45,000 (Deanery works) for the coming year (2021). The core revenue grants of £288,000 have increased by 50% over the past five years.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

CHAIR AND CHIEF EXECUTIVE'S REPORTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

During the year the Trustees were pleased to have been able to increase support for the education work of Chapter. A focus will be given as to how a separate Capital Fund might be created to support the current core activity of the education department.

Glyn Morgan MBE
Chief Executive

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES' REPORT

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. 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) (second edition, issued in October 2019).

“The Trust” throughout this report refers to the Hereford Cathedral Perpetual Trust being both a registered company and registered charity, whose affairs for the year ending 31 December 2020 is the subject of this report.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

CHARITABLE OBJECTIVES

The object for which the Trust was established is set out in clause 3 of the Memorandum of Association.

Clause 3 reads as follows (some punctuation added for clarity):

The object for which the Trust is established is to promote the religious and charitable work of the Church of England by providing support for all or any of the charitable purposes to which the capitular revenues of the Chapter of the Cathedral Church of the Blessed Virgin Mary and St Ethelbert in Hereford (“the Cathedral”) are applicable including especially:

- 3.1 The promotion and maintenance to a high standard of choral services of the Church of England in the Cathedral (whether simple or elaborate) in such ways as the Board of Governors in its absolute discretion think fit including (but without prejudice to the generality of the foregoing); promotion of religious, musical and secular education of pupils attending any school in which the doctrines of the Church of England is given and performance of the choral services of the Church of England is observed; and also the repair, maintenance and renewal of the organs of the Cathedral, the acquisition and maintenance of its musical books and manuscripts; and the employment of all staff including lay clerks, in connection with the choral services of the Cathedral; and
- 3.2 The preservation, maintenance and development of the Cathedral generally.

The Board has agreed the following more detailed definition of education object set out in the Memorandum of Association:

To support the educational and interpretational work of the Cathedral amongst people of all ages, in all areas of its mission and ministry, using the resources of the whole Cathedral Foundation.

This would include, but not exclusively, work with schools, colleges and universities; adult education, Sunday School, individuals, family groups, visitors and pilgrims; creating access and opportunities in the Library and Archives and associated exhibition; providing interpretative materials in promoting the Cathedral and its mission; and relating Christianity to contemporary society.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

OPERATIONS

The Trust fulfils its charitable objective by the provision of funding and services to the Cathedral Chapter. The Cathedral Chapter is the legal entity and also its group of the equivalent of Trustees, that own and are responsible for the Cathedral and associated properties. Their charitable objective is to proclaim the Gospel of Christ in the City and Diocese of Hereford and in the wider world, by serving and inspiring all those who encounter the Cathedral and its community.

The Trust provides funding and services in the following ways:

The Trust is building a long-term investment fund (the "Capital Fund", intended to operate as a quasi-endowment) the income from which will provide a stable income to the Trust. This will contribute to a revenue surplus that can be granted to the Cathedral Chapter. Additions to the long-term investment fund come mainly from legacies and gifts. The Trust operates a policy of taking the first £10,000 of any legacy as revenue and adding the rest to the Capital Fund unless the donor has specified otherwise.

The Trust is very grateful to the regular donors. It seeks to grow the number of donors and ensure that donors are properly informed on how their donation is used and feel part of the Cathedral community.

The Trust holds a number of events in order to raise money for the revenue account. It also provides assistance to Chapter for its own fundraising.

The Trust provides a service to Chapter by leading on fundraising and grant applications for a wide variety of Cathedral capital/fabric projects. The Trust is not responsible for the execution of fabric projects. Building contracts are entered into by Chapter. The Trust is responsible for fulfilling the requirements of the funders of the project, particularly the National Lottery Heritage Fund.

The Trust also helps to raise the profile of the Cathedral and its works to the wider community, both nationally and internationally. As a result, Hereford Cathedral has supporters all around the world. The Trust organises the use of its assets, such as its magnificent choir and its 1217 Magna Carta, on visits that help raise funds, both directly and as a result of raising the profile, for the Trust and Chapter.

The Trust provides other assistance to Chapter including supporting project development, crafting projects suitable for external funding and in promoting Chapter's activities and own programmes through *Out of the Cloisters*. The Trust continues to maintain close relations with other cathedrals, national bodies involved in the management of cathedrals, heritage organisations, Government, Whitehall and various Royal Households.

The Trust in partnership with Chapter agrees an annual funding plan. This includes revenue support of the Choral Foundation and Education Department, along with unrestricted funding in support of staff and core revenue costs, with the goal of maintaining if not increasing this support in the future.

Funding for capital projects (which may pass through the Trust's account or may be paid directly to Chapter depending on the donor) is only confirmed when the full funding package is secured, or at least for a definable phase. Some grants, particularly those associated with the National Lottery Heritage Fund, also contain large amounts of educational work.

The Trust also finds funding for Cathedral events. In general, these will be smaller sums (less than £10,000) and the entire sum, other than clearly identifiable costs, is passed onto Chapter. Such a case is the grant from the W A Cadbury Charitable Trust in support of the annual Holy Week performance of one of J S Bach's Passions, though in 2021 this independent grant was incorporated into the main choral grant with an expectation of a Holy Week 2021 performance or an appropriate variation depending on the then regulations.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

POLICIES

Investment

The Trustees have wide powers of investment. Since 1998, the Trust's investments have been managed by Cazenove Capital, a trading arm of Schroder & Co. Limited, on a discretionary basis. Rather than running a discrete portfolio of directly held investments, the Trustees agreed with Cazenove that the funds should be invested in co-mingled funds managed by Cazenove suitable for charities and held for the long term.

The Trust invested in two such funds during the financial year:

The Cazenove Charity Multi-Asset Fund (CMAF), established in 1998;
The Cazenove Responsible Multi-Asset Fund (RMAF), opened in February 2020.

CMAF aims to provide income and capital growth in excess of the Consumer Price Index + 4% per annum (net of fees) over rolling ten-year periods. CMAF is designed specifically for charities with commensurate Ethical, Social and Governance policies (ESG) and is authorised and approved by both the Charity Commission and the Financial Conduct Authority. The Fund had at year end a diversified portfolio of circa 31 underlying Managed Funds, both by Schrodgers and third parties, with a 70% equity exposure and 30% mix of bonds, property, diversifiers and cash.

RMAF also aims to provide income and capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten-year periods following a similar investment strategy to CMAF but with even stricter ESG policies. RMAF is also designed specifically for charities and is authorised and approved by the Charity Commission. The Fund currently has exposure to 23 underlying holdings. The Fund has an explicit responsible investment policy, with screening aligned with common charity concerns and environmental, social and governance analysis, engagement and voting embedded into the equity investment process.

Cash awaiting disbursement for major projects is held in a number of interest-bearing bank accounts or in a suitable cash fund, as appropriate, normally with the Church of England's Central Board of Finance.

Cazenove Capital and Schrodgers have a dedicated and well-resourced responsible investment team. They have achieved an A+ rating from the UN Principles for Responsible Investment (PRI) in each of the last five years. Schrodgers are a special adviser to the Carbon Disclosure Project; a founding member of the institutional investor group on climate change; a member of the UK Sustainable Investment and Finance Association and the European Sustainable Investment Forum. All investments in companies made by Cazenove on behalf of the Hereford Cathedral Perpetual Trust are subject to their rigorous responsible investment and corporate governance policies. Both academic research and our own experience show that strong ESG management often delivers superior long-term returns. The appraisal of ESG factors is integrated in our stock and fund selection process.

Cazenove's corporate governance and responsible investment functions have been in existence since 1998. A dedicated section of their website sets out related policies, voting records, research reports and responsible investment reviews.

For further information on responsible investment, please go to:
<https://www.schrodgers.com/en/sustainability/corporate-responsibility/>.

For more information on the RMAF, please go to: <https://www.cazenovecapital.com/uk/charities/our-funds/>.

The Trustees monitor long-term performance carefully. At least once a year, representatives of the Trustees meet with the advisers along with representatives of the Mappa Mundi Trust, who also use Cazenove Capital and with Chapter, who are also trustees of two other charities, and their separate advisers. Representatives of the diocesan investment committee are also invited as are Trust representatives to the diocese review meeting. This enables Trustees to review the performance of its investments compared to other investment managers.

In early 2021 the CMAF was transferred to the RMAF in whole, due to the latter fund's improved performance and even stronger ESG policies.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

POLICIES (CONTINUED)

Public benefit

As a charity registered in England and Wales, the Trust reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

The Trust has continued to work closely with Chapter and funding has been provided to support the Choral Foundation, educational work of Chapter and a number of fabric projects.

All the projects have included the engagement of the general public, as well as helping to protect our shared heritage.

Volunteers

When regulations allow, the Trust uses volunteers in two ways. Members of the Trustee body provide strategic, management, financial and other expertise, joined by other members of the Board of Governors and co-opted individuals in different areas of the Trust's work. A wider base of volunteers helps with various fundraising events. Pack-IT, a social enterprise organisation, supports us in the distribution of newsletters and we are delighted to work with this organisation, though sadly this could only take place on one occasion in 2020.

Fundraising

The charity fundraises primarily through institutions, trusts and foundations together with event-based fundraising and some individual donations. The charity does not engage in cold-calling or street-based fundraising or use third-party fundraisers, and all activities undertaken are directly monitored and controlled by the charity's staff. It has not received any complaints in the year in connection with the propriety of its fundraising. The charity is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The Trust is registered with the Fundraising Regulator and is a corporate member of the Institute of Fundraising. The Chief Executive is also a member of the Institute.

Legacies

Subject to any specific wishes connected with a bequest, the first £10,000 of any legacy will be retained in order to meet the costs of running the legacy programme and in meeting any immediate financial needs. The balance will be invested in the Capital Fund under the guidance of the Investment Managers in consultation with the Trustees.

Any legal restriction on a bequest will be honoured, although should there be concern over the nature or the extent of the restriction and whether the Trust can honour the conditions, this will be clarified with the Executors before the gift is deposited. In the event of a bequest being received with conditions laid out in a Letter of Wishes, this will be honoured as far as possible by the Trustees, and the Executors kept informed.

The legacy programme manages the relationship with potential benefactors, appropriate professionals and the Executors and families of those individuals from whom we have received bequests.

The Chief Executive is a member of the Church House Good Legacy Practice Group, which provides policy, best practice advice, theological thinking and practical support to diocesan funding officers and the Church in general. The group of a dozen members meets up to three times each year.

Reserves

The Trust holds total funds of £5.3m, of which £0.8m are restricted for specific purposes whereas the balance of £4.5m is both unrestricted and largely held in investments which are relatively liquid.

The policy of the Trustees is to build up a Capital Fund with a view to the Fund providing an increasing amount of reliable income over the long term. The Trustees have designated the invested unrestricted funds to reflect this intention. The balance of the unrestricted funds represents operational working capital.

The Trustees are content with the Fund position and the designated Fund is held in relatively liquid investments hence could be called upon in the event of any short-term reduction in working capital. For that reason, the Trustees consider a small unrestricted working capital balance to be adequate.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Reserves

It should be noted that the net current asset position at 31 December 2020 included accrued legacies of £699,500.

Legacies

A total of £870,395 was recognised in the form of known legacies, of which £828,371 was added to the Capital Fund and £42,024 was taken to the revenue account. A total of £654,500 was received after the year end and appears as a debtor at year end.

The Trust is very grateful to have the following legacies from the following estates:

- The late Mr Philip Havelock, also acknowledging the commitment of Mrs Alwyne Havelock, his late wife who had predeceased him. An initial payment was received in 2019 with the final payments being received during 2020 (choral restricted).
- The late Michael Hutchison, also acknowledging the commitment of the late Mrs Sheila Hutchison, who had predeceased him. An initial interim payment received in early 2020, was accounted for in the 2019 accounts with the final distribution being received later in the year and included in these accounts. The gift was unrestricted.
- A gift was made through a variation of the Will of the late David Gilliat by the Executors. The gift was in support of the Choral Foundation.

The following gifts were received in 2021 but are recognised in the 2020 accounts due to accounting guidelines. In all cases, the gifts listed will have been received before the accounts are adopted and therefore the sums are factually correct.

- The late Simon Kenyon-Slaney. A specific gift. An unrestricted gift.
- The late Gladys Rendell. A share of the residual estate. An unrestricted gift.
- The late Mabel Ellis. A third interim payment. The gift is unrestricted.
- The late Molly Johnston. The gift was made in support of the 'boys' choir and scholars', the whole gift was retained in the revenue account. In order to honour both the spirit of the gift and the policy, a transfer to the restricted choral fund at Cazenove was made in her name.

Substantial gifts

A generous gift was received from the Austin Community Foundation from a number of friends in Austin, Texas and associated with the Community Foundation.

Investment performance

The market value of the Trust's investment portfolio (including cash held for investment) at 31 December 2020 amounted to £4,303,756 (2019: £4,079,414). The Trust's investment portfolio was split between £2,846,065 held in the CMAF portfolio and £1,386,803 in the RMAF portfolio as at 31 December 2020. £70,887 of cash was also held.

For all of 2020's turmoil, including the fastest ever "bear market" and the fastest subsequent recovery in 40 years, 2020 proved a good year for equities, at least outside Europe. This was thanks in large part to the swift interventions from central banks and governments following the onset of the pandemic, as well as the promising vaccine news that arrived in November.

The CMAF portfolio returned 7.0% and the RMAF portfolio returned 8.6% net of fees which contrasts with the inflation plus 4% target of +4.3%, and global and UK equity market returns of +12.9% and -9.8% respectively.

The total portfolio generated £166,318 (2019: £141,308) in income over the last 12 months; £114,354 (2019: £111,561) from CMAF and £51,964 (2019: £29,747) from RMAF.

In November 2020 it was agreed, at the start of the new financial year, to move the CMAF holding into the RMAF due to its marginally better performance and explicit responsible investment policy.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE (CONTINUED)

Significant in-kind support

Due to the Covid-19 restrictions, neither of the events normally supported by Cotswold BMW and Mini Hereford were possible, though their continued commitment to the Trust is gratefully acknowledged.

FINANCIAL REVIEW

Details of the financial performance and financial position of the Trust are set out in the following accounts on pages 19 to 34.

For the year ended 31 December 2020, net income amounted to £1,029,029 (2019: £254,653). Grants amounting to £977,318 (2019: £744,953) were made during the year.

In 2020 the Trust's gross income was £2,013,242 (2019: £967,352), including legacies of £870,395 (2019: £166,500).

Expenditure for the year was £1,122,058 (2019: £996,460), which included grants to the Choral Foundation of £168,000 (2019: £168,000) and the Eastern Range project £674,190 (2019: £431,352). Details of other grants which included £102,000 toward general Chapter running costs are included in note 7.

Principal funding sources

One of the principal funders of the Trust is the National Lottery Heritage Fund to whom the Trust applies for grants to support projects in accordance with its objectives.

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds and restricted funds. Restricted funds, including the Choral Investment Fund, are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

FUTURE PLANS

Subject to the current review, the Trust will continue to develop its links with supporters – local, national and international. It will continue to strengthen its relationships with grant-making bodies and bring on board new charitable and corporate supporters. It will continue to explore the opportunities to use the Cathedral artefacts to generate significant gifts to its Capital Fund.

The Trust's focus will remain on:

- Growing its Capital Fund held in investments to provide a secure long-term income stream;
- Supporting the revenue income of Chapter through various annual regular and one-off grants;
- Securing external funding to support conservation, restoration and major projects;
- Funding its own structure and staffing.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee and not having any share capital. The Trust was incorporated on 8 November 1995 as company number 03123592 and is registered with the Charity Commission with charity number 1051168. The Trust operates in accordance with its Memorandum and Articles of Association as amended by written Resolution effective 11 June 2008 and pursuant to the consent of the Charity Commission pursuant to Section 64 Charities Act 1993.

It should be noted that the 8 November 2020 was the twenty-fifth anniversary of the signing of the original trust deed and the 15 December the same anniversary for the first official meeting of the founding trustees, of which a number are still closely involved and to whom we are grateful for their vision and commitment.

Charity constitution

The maximum number of named Governors (members) is one hundred. A maximum of eight governors plus the Dean of Hereford (by virtue of his office) are the Trustees. The Trustees manage the business of the Trust. Individuals may be invited by the Trustees to become Governors.

The Trust seeks to maintain an appropriate mix of skills and experience among the Trustees, especially in the areas of finance, business and governance, combined with an understanding of the role and mission of the Cathedral.

Recruitment and appointment of new Trustees

Trustees (who are elected by the Governors) are recruited from time to time to provide the skills needed to manage the Trust and to broaden the network of professional and personal contacts. The composition of the trustee body is reviewed periodically. Trustees must be Governors (members) of the Trust.

Organisational structure

The trust is managed by a Board of Trustees. Until 15 June 2008 certain powers were delegated to the Council of Management; on that date, by written resolution of the Members, the Council of Management was replaced by the Executive, whose members are the Trustees.

The Trustees are responsible for the overall strategy and financial commitments of the Trust and are supported in this by the Chief Executive who manages the day-to-day operations of the Trust. Committees consisting of Trustees, and co-opted individuals with special expertise, are appointed from time to time to administer specific areas of work on behalf of the Trustees.

While Chapter's Finance, Audit and Risk Committee only have a statutory duty to advise Chapter on its accounts and risk, the Trust shares many of its documents (not least its annual accounts and investment reports) with the Committee so as to help better inform the whole Cathedral family on its financial position. The Trust is able to nominate one Trustee, normally the Chairman, to be a member of the Committee.

A separate investment group, led by a member of the Finance, Audit and Risk Committee, also coordinates an annual meeting with the investment managers for Chapter and associated charities, the Mappa Mundi Trust and the Perpetual Trust. The Diocesan Board of Finance is also invited to attend so as to enable a broad view. The meeting is held in Hereford. Approximately six months later, an informal meeting is held in London with each of the investment managers to maintain an awareness of the then situation. If a significant gift is to be invested, such as a large legacy, a separate meeting may be held, either in person or by telephone. Regular reports, both in print and electronic form are regularly received by various Trustees and the Chief Executive.

Induction and training of new Trustees

An induction and training programme is arranged for new Executive members, tailored to meet their individual needs. It typically includes Trustee responsibilities and governance, governing documents, the roles of the Trust and Chapter, the work of the Cathedral, current commitments and future plans. New Trustees meet fellow Trustees and Cathedral personnel.

Key management remuneration

The remuneration of key management is decided by the Board of Trustees.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Related parties

The Very Revd Michael Tavinor, as Dean of Hereford, was both a Trustee of the Hereford Cathedral Perpetual Trust (ex-officio) and a member of Chapter. He retired from the office on 28 February 2021. The Revd Canon Andrew Piper was appointed to the position of Acting Dean from 1 March 2021 until the installation of a new Dean, and Canon Piper assumed the ex-officio place of the Dean. His conflicts were as that of the former Dean.

During 2020, Andrew Wynn was also a member of Chapter's Finance, Audit and Risk Committee in his own right, not representing the Trust, which was done by the Chair.

During the year, processes are in place where all grants to Chapter are recorded in the Chief Executive's report to Trustees, along with identifying any payments likely to be made before the next Trustees' meeting, so Trustees are aware of what has been paid to Chapter during each period. Any payments are confirmed in advance wherever possible.

Claims such as those to the National Lottery Heritage Fund are passed through the Trust and are forwarded to Chapter as soon as possible and with cheques often being prepared for the transfer ahead of receipt of the funds so as to ensure as fast a transfer of funds to Chapter as possible once the funds have been received.

Risk management

The Trustees continue to monitor the major risks which the Trust faces and seek to reduce those risks. At present in this uncertain economic climate there are risks with fundraising. Lower income from investments affects the Trust and also affects donors to whom the Trust applies for grants. There is a risk that the Trust is unable to raise sufficient funding to meet the aspirations of Chapter to cover its own running costs.

A major risk is the performance of the Trust investment portfolio and the income from it. Comments on this are contained in the Financial Review.

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03123592 (England & Wales)

Registered Charity number

1051168

Principal address

5 College Cloisters
The Close
Hereford
Herefordshire
HR1 2NG

Trustees

Mr Nat Hone DL

Mrs Tania Hudson

Dr Michiel Timmerman

The Very Revd Michael Tavinor

Mr Andrew Wynn LVO

Chair of Trustees

Appointed 31 July 2020

Retired 28 February 2021

Resigned 5 December 2020

Ms Julia Budd (Mrs Julia Lukas) assumed her position as a trustee on 19 February 2021

And The Revd Canon Andrew Piper, as the Acting Dean, the ex-officio appointment on 1 March 2021.

Patron

HRH The Prince of Wales

Vice-Presidents

The Lord-Lieutenant of Herefordshire (Mr Edward Harley OBE)

The Lord-Lieutenant of Shropshire (Mrs Anna Turner)

The Dowager Countess of Darnley CVO

Mr Tom Davies

Sir Thomas Dunne KG KCVO

Sir Algernon Heber-Percy KCVO

Key management personnel

Mr Glyn Morgan MBE

Chief Executive Officer

Company Secretary

Mr Glyn Morgan MBE

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

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

Gabbs Solicitors
14 Broad Street
Hereford
HR4 9AP

Bankers

Lloyds plc
8 High Town
Hereford
HR1 2AE

The Central Board of Finance
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Investment Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

THE HEREFORD CATHEDRAL PERPETUAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Hereford Cathedral Perpetual Trust for the purpose of company law) are responsible for preparing 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".

Company law 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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust 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 that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

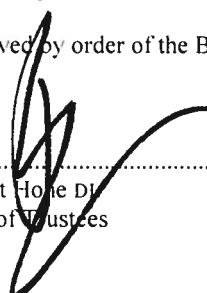
The auditors Haysmacintyre LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

The Trust greatly appreciates the very generous support of many individuals, trusts and organisations, the close co-operation with Chapter and the work of the Cathedral volunteers. It owes a particular debt of gratitude to its staff.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 8 July 2021 and signed on its behalf by:


.....
Mr Nat Home DJ
Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEREFORD CATHEDRAL PERPETUAL TRUST

Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 December 2020 and its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEREFORD CATHEDRAL PERPETUAL TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory framework pertaining to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HEREFORD CATHEDRAL PERPETUAL TRUST (CONTINUED)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 08 July 2021

THE HEREFORD CATHEDRAL PERPETUAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,040,266	784,397	1,824,663	677,659
Other trading activities	3	11,005	10,397	21,402	145,187
Investment income	4	136,482	30,695	167,177	144,506
Total		<u>1,187,753</u>	<u>825,489</u>	<u>2,013,242</u>	<u>967,352</u>
EXPENDITURE ON					
Raising funds	5	44,835	2,091	46,926	163,878
Charitable activities					
Grantmaking	6	199,814	875,318	1,075,132	832,582
Total		<u>244,649</u>	<u>877,409</u>	<u>1,122,058</u>	<u>996,460</u>
Net income before investment movements		943,104	(51,920)	891,184	(29,108)
Unrealised gains/(losses) on investments		104,406	33,439	137,845	283,761
NET INCOME		<u>1,047,510</u>	<u>(18,481)</u>	<u>1,029,029</u>	<u>254,653</u>
Transfers between funds	17	(640)	640	-	-
Net movement in funds		<u>1,046,870</u>	<u>(17,841)</u>	<u>1,029,029</u>	<u>254,653</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		3,484,039	769,896	4,253,935	3,999,282
TOTAL FUNDS CARRIED FORWARD		<u><u>4,530,909</u></u>	<u><u>752,055</u></u>	<u><u>5,282,964</u></u>	<u><u>4,253,935</u></u>

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

BALANCE SHEET

AT 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
FIXED ASSETS					
Tangible assets	13	-	-	-	-
Investments	14	3,507,965	795,786	4,303,751	4,105,481
		<u>3,507,965</u>	<u>795,786</u>	<u>4,303,751</u>	<u>4,105,481</u>
CURRENT ASSETS					
Debtors	15	720,505	67,524	788,029	84,774
Cash at bank and in hand		339,624	24,086	363,710	192,798
		<u>1,060,129</u>	<u>91,610</u>	<u>1,151,739</u>	<u>277,572</u>
CREDITORS					
Amounts falling due within one year	16	(37,185)	(135,341)	(172,526)	(129,118)
		<u>1,022,944</u>	<u>(43,731)</u>	<u>979,213</u>	<u>148,454</u>
NET CURRENT ASSETS		<u>1,022,944</u>	<u>(43,731)</u>	<u>979,213</u>	<u>148,454</u>
NET ASSETS		<u>4,530,909</u>	<u>752,055</u>	<u>5,282,964</u>	<u>4,253,935</u>
FUNDS					
Unrestricted funds	17	4,530,909	-	4,530,909	3,484,039
Restricted funds		-	752,055	752,055	769,896
		<u>4,530,909</u>	<u>752,055</u>	<u>5,282,964</u>	<u>4,253,935</u>
NET ASSETS		<u>4,530,909</u>	<u>752,055</u>	<u>5,282,964</u>	<u>4,253,935</u>

The notes form part of these financial statements.

The financial statements were approved by the Board of Trustees on 8 July 2021 and were signed on its behalf by:

.....
Mr Nat Hyde DL
Trustee

THE HEREFORD CATHEDRAL PERPETUAL TRUST

CASH FLOW STATEMENT

THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	64,160	414,615
Net cash provided by operating activities		<u>64,160</u>	<u>414,615</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(68,523)	(1,258,008)
Movement on cash held in investments		8,098	521,583
Interest received		216	1,491
Dividends received		166,961	143,015
Net cash used in investing activities		<u>106,752</u>	<u>(591,919)</u>
Change in cash and cash equivalents in the reporting period		<u>170,912</u>	<u>(177,304)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>192,798</u>	<u>370,102</u>
Cash and cash equivalents at the end of the reporting period		<u><u>363,710</u></u>	<u><u>192,798</u></u>

A statement of changes in net debt has not been presented as the charitable company has no borrowings and hence no net debt.

The notes form part of these financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
 NOTES TO THE CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,029,029	254,653
Adjustments for:		
Depreciation charges	-	-
Gains on investments	(137,845)	(283,761)
Interest received	(216)	(1,491)
Dividends received	(166,961)	(143,015)
(Increase)/decrease/ in debtors	(703,255)	502,112
Increase in creditors	43,408	86,117
Net cash provided by operating activities	<u>64,160</u>	<u>414,615</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 principal area of judgement and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

Going concern basis

The financial statements are prepared on a going concern basis which assumes that the charity will continue to operate for the foreseeable future and for a minimum period of 12 months from the approval of the financial statement. Having considered the financial position of the charity and bearing in mind the discretionary nature of much of the expenditure, the Trustees are content that this basis remains appropriate, and that there is no material uncertainty connected with the Trust's ability to continue to operate as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

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.

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 costs 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.

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. Support costs include office costs, finance personnel, payroll and governance costs which support the Trust's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

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.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Events	11,352	145,187
Eastern Cloister project management charge (Chapter)	10,050	-
	<u>21,402</u>	<u>145,187</u>

4. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Dividend income	166,961	143,015
Interest receivable	216	1,491
	<u>167,177</u>	<u>144,506</u>

5. RAISING FUNDS

	31.12.20	31.12.19
	£	£
Event costs	-	51,450
Fundraising materials	5,038	3,926
Staff costs	15,490	54,073
Support costs	14,888	44,839
	<u>35,416</u>	<u>154,288</u>
Sub-total costs of generating voluntary income	35,416	154,288
Investment management costs	11,510	9,590
	<u>46,926</u>	<u>163,878</u>
Total cost of raising funds	46,926	163,878

6. CHARITABLE ACTIVITIES 2020

	Direct costs	Grant funding of activities	Support costs	Totals
	£	£	£	£
		(See note 7)	(See note 8)	
Grant making	<u>45,137</u>	<u>977,318</u>	<u>52,677</u>	<u>1,075,132</u>

CHARITABLE ACTIVITIES 2019

	Direct costs	Grant funding of activities	Support costs	Totals
	£	£	£	£
		(See note 7)	(See note 8)	
Grant making	<u>38,608</u>	<u>744,953</u>	<u>49,021</u>	<u>832,582</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

7. GRANTS PAYABLE

	31.12.20	31.12.19
	£	£
Grants and donations	<u>977,318</u>	<u>744,953</u>
The total grants paid to Chapter during the year were as follows:		
	31.12.20	31.12.19
	£	£
<i>Fabric</i>		
Eastern Cloister project contributions	674,190	431,352
Booth Porch Chapel project	1,875	-
Font project	14,160	5,000
Fire system	-	27,323
Recovery of VAT from 2017-18	93	-
	<u>690,318</u>	<u>463,675</u>
<i>Choral / Music</i>		
Choral Foundation grants	168,000	168,000
Choir Tour: Rome and Normandy D-Day 75	-	4,873
St Matthew Passion	5,000	5,000
	<u>173,000</u>	<u>177,873</u>
<i>Education</i>		
Education grant	12,000	12,000
<i>Other</i>		
Admin Officer / Executive Officer	-	15,170
General Chapter running costs	102,000	75,600
Other grants	-	635
	<u>102,000</u>	<u>91,405</u>
	<u>977,318</u>	<u>744,953</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

8. SUPPORT COSTS 2020

	Fundraising £	Grants £	Totals £
Support and governance costs	14,888	52,677	67,565

SUPPORT COSTS 2019

	Fundraising £	Grants £	Totals £
Support and governance costs	44,389	49,021	93,860

9. NET INCOME

Net income is stated after charging

	31.12.20	31.12.19
	£	£
Auditors' remuneration - for audit current year	5,300	5,000
- prior year under accrual	2,000	-
- non-audit	2,750	1,750

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019. Donations received from Trustees in total were £900 together with £500 received from a charity of which a Trustee is chair (2019: £1,540 together with £500 received from a charity of which a Trustee is chair).

During the year no Trustees' expenses were reimbursed (2019: £nil).

11. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	83,430	93,514
Social security costs	5,050	7,087
Other pension costs	7,857	8,879
	<u>96,337</u>	<u>109,480</u>

The key management personnel of the Trust comprises the trustees and the Chief Executive. The total employee benefits of the key management personnel, including employees' pension and national insurance contributions of the Trust, were £71,420 (2019: £69,672).

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

	31.12.20	31.12.19
Administration of the Trust	<u>2</u>	<u>3</u>

No employee was paid more than £60,000 per annum (excluding non-taxable benefits and employer's NI) during the current or preceding year.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	195,529	482,130	677,659
Other trading activities	145,187		145,187
Investment income	125,346	19,160	144,506
Total	<u>466,062</u>	<u>501,290</u>	<u>967,352</u>
EXPENDITURE ON			
Raising funds	163,878	-	163,878
Charitable activities			
Grants and donations	205,205	627,377	832,582
Total	<u>369,083</u>	<u>627,377</u>	<u>996,460</u>
Net income before investment movements	96,979	(126,087)	(29,108)
Net gains on investments	240,565	43,196	283,761
NET INCOME/(EXPENDITURE)	<u>337,544</u>	<u>(82,891)</u>	<u>254,653</u>
Transfers between funds	(28,022)	28,022	-
Net movement in funds			
	309,522	(54,869)	254,653
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,174,517</u>	<u>824,765</u>	<u>3,999,282</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>3,484,039</u></u>	<u><u>769,896</u></u>	<u><u>4,253,935</u></u>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2020 and 31 December 2020	20,580
DEPRECIATION	
At 1 January 2020	20,580
Charge for the year	-
31 December 2020	<u>20,580</u>
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	-

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2020	4,026,497	78,984	4,105,481
Additions	68,523	-	68,523
Disposals	-	(8,098)	(8,098)
Gains/(losses) on investments	137,845	-	137,845
	<u>4,232,865</u>	<u>70,886</u>	<u>4,303,751</u>
At 31 December 2020			
There were no investment assets outside the UK.			
Represented by:			
		31.12.20 £	31.12.19 £
Cash		70,886	79,430
Cazenove Charity Multi-Asset Fund		2,846,062	2,767,573
Cazenove Responsible Multi-Asset Fund		1,386,803	1,258,478
		<u>4,303,751</u>	<u>4,105,481</u>
		<u>2,462,182</u>	<u>2,401,757</u>
Historic cost of investment			

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	-	2,978
Accrued income	775,999	78,145
Prepayments	3,655	3,651
Other debtors	8,375	-
	<u>788,029</u>	<u>84,774</u>

Accrued legacy income in 2020 is £699,500 (2019: £nil).

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	724	42,539
Accruals and deferred income	171,802	86,579
	<u>172,526</u>	<u>129,118</u>

17. MOVEMENT IN FUNDS 2020

	At 1.1.20	Net	Transfers	At 31.12.20
	£	movement	between	£
		in funds	funds	
		£	£	
Unrestricted funds				
Long-term investment	3,394,787		113,178	3,507,965
Working capital	89,252	1,047,510	(113,818)	1,022,944
Restricted funds				
Education Fund	-	(640)	640	-
Fabric Fund	145,548	111	(96,002)	49,657
Choral Funds	569,809	51,362	-	621,171
Eastern Cloister Delivery Fund	-	(83,502)	83,502	-
Font Project Fund	54,539	14,188	12,500	81,227
	<u>769,896</u>	<u>(18,481)</u>	<u>640</u>	<u>752,055</u>
TOTAL FUNDS	<u>4,253,935</u>	<u>1,029,029</u>	<u>-</u>	<u>5,282,964</u>

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

	Income	Expenditure	Gains and	Movement
	£	£	losses	in funds
			£	£
Unrestricted funds				
General Fund	1,187,753	(244,649)	104,406	1,047,510
Restricted funds				
Education Fund	11,360	(12,000)	-	(640)
Fabric Fund	2,079	(1,968)	-	111
Choral Funds	193,014	(175,091)	33,439	51,362
Eastern Cloister Delivery Fund	590,688	(674,190)	-	(83,502)
Font Project Fund	14,188	-	-	14,188
Architectural Heritage	14,160	(14,160)	-	-
	<u>825,489</u>	<u>(877,409)</u>	<u>33,439</u>	<u>(18,481)</u>
TOTAL FUNDS	<u>2,013,242</u>	<u>(1,122,058)</u>	<u>137,845</u>	<u>1,029,029</u>

THE HEREFORD CATHEDRAL PERPETUAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. MOVEMENT IN FUNDS (CONTINUED) 2019

The comparative figures for movement in funds are as follows:

	At 1.1.19	Net movement in funds	Transfers between funds	At 31.12.19
	£	£	£	£
Unrestricted funds				
Long-term investment	3,174,517	337,544	(117,274)	3,394,787
Working capital			89,252	89,252
Restricted funds				
Education Fund	458	(542)	84	-
Fabric Fund	130,357	15,191	-	145,548
Choral Funds	459,209	110,600	-	569,809
Eastern Cloister Delivery Fund	204,702	(232,640)	27,938	-
Font Project Fund	30,039	24,500	-	54,539
	<u>824,765</u>	<u>(82,891)</u>	<u>28,022</u>	<u>769,896</u>
TOTAL FUNDS	<u>3,999,282</u>	<u>254,653</u>	<u>-</u>	<u>4,253,935</u>

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

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General Fund	466,062	(369,083)	240,565	337,544
Restricted funds				
Education Fund	11,458	(12,000)	-	(542)
Fabric Fund	15,191	-	-	15,191
Choral Funds	246,429	(179,025)	43,196	110,600
Eastern Cloister Delivery Fund	198,712	(431,352)	-	(232,640)
Font Project Fund	29,500	(5,000)	-	24,500
	<u>501,290</u>	<u>(627,377)</u>	<u>43,196</u>	<u>(82,891)</u>
TOTAL FUNDS	<u>967,352</u>	<u>(966,460)</u>	<u>283,761</u>	<u>254,653</u>

Transfers between funds

Transfers between funds made relate to (i) projects subsidised by the unrestricted fund (ii) the transfer between the long-term investment fund and the working capital fund made to order to show the long-term investment fund separately.

Funds detail

Unrestricted funds

The Trustees have designated the greater part of the unrestricted funds as a long-term fund represented by investments. Within this amount they have further earmarked £45,000 for Clergy Housing. The balance of the unrestricted fund represents the operational working capital of the Trust.

Restricted funds

The Fabric Fund has been established to provide financial support for the maintenance of the fabric of Hereford Cathedral.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

MOVEMENT IN FUNDS (CONTINUED) 2019

The Choral Funds comprise a fund established to provide financial support to the Choral Foundation of Hereford Cathedral in relation to promotion of the religious, musical and secular education of pupils, the repair, maintenance and renewal of the organs of the Cathedral and the acquisition and maintenance of its musical books, manuscripts and the employment of all staff including lay clerks in connection with the choral services of the Cathedral. Within the Choral Funds, the Choral Investment Fund forms part of the investment portfolio held. The fund has been established to generate income to support the Choral Foundation of Hereford Cathedral. Gains and losses on the investment are reflected in the fund balance.

The Education Fund is used to assist the Cathedral in running its education programme with schools, colleges and universities, along with the adult sector.

18. RELATED PARTY DISCLOSURES

The Chapter of Hereford Cathedral

The Very Reverend Michael E Tavinor is both a trustee of the Hereford Cathedral Perpetual Trust and the Chapter of Hereford Cathedral.

Andrew Wynn was a Trustee of the Hereford Cathedral Perpetual Trust until early December and is an Independent member of Chapter's Finance, Audit and Risk Committee and HR Committee.

Nat Hone, is a Trustee and Chairman of the Hereford Cathedral Perpetual Trust, represents the Trust, as Chair, on Chapter's Finance, Audit and Risk Committee

Glyn Morgan, Company Secretary of Hereford Cathedral Perpetual Trust, was also acting as the Chapter Clerk and The Chief Executive of the Chapter of Hereford Cathedral up to 22 February 2019. Glyn Morgan was not remunerated for the role within Chapter.

During the year £977,318 (2019: £744,953) of grants were made to the Chapter of Hereford Cathedral. Details of the grants can be found in note 7. At the year end £48,891 was due to Chapter (2019: £75,023).

During the year £Nil (2019: £5,932) of goods and services was recharged from the Chapter of Hereford Cathedral to Hereford Cathedral Perpetual Trust. At the year end £Nil (2019: £2,168) was outstanding.

Hereford Cathedral Enterprises Ltd

The Very Reverend Michael E Tavinor was both a Trustee of Hereford Cathedral Perpetual Trust and a director of Hereford Cathedral Enterprises Ltd.

Glyn Morgan was Company Secretary until 22 February 2019.

During the year £ Nil (2019: £173) of goods and services were purchased from Hereford Cathedral Enterprises Ltd. At the year end £Nil (2019: £173) was outstanding.

19. SHARE CAPITAL

The Hereford Cathedral Perpetual Trust is a company limited by guarantee (registered in England and Wales) and does not have share capital.

20. GUARANTEE

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up during the time that he or she is a member or within one year afterwards for payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up the same and for adjustment of the rights of contributors amongst themselves, such as may be required not exceeding, in the case of any member, the sum of £1.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	579,223	202,922
Donations	347,430	281,378
Gift Aid	27,615	26,859
Legacies	870,395	166,500
	<hr/>	<hr/>
Total incoming resources	1,824,663	677,659
Other trading activities		
Events	11,352	144,187
Income from Chapter (project management charge)	10,050	1,000
	<hr/>	<hr/>
	21,402	145,187
Investment Income		
Dividend income – (Cazenove)	166,948	143,755
Interest receivable	229	751
	<hr/>	<hr/>
	167,177	144,506
	<hr/>	<hr/>
Total income	2,013,242	967,352
EXPENDITURE		
Raising donations and legacies		
Advertising	-	82
	<hr/>	<hr/>
	-	82
Other trading activities		
Event expenses	-	51,450
Promotional material and other fundraising costs	5,038	3,926
Payroll and related costs	45,137	54,073
Office costs	5,820	31,586
Postage, stationery and admin	7,940	11,134
Sundries	1,083	2,005
	<hr/>	<hr/>
	65,018	154,174
	<hr/>	<hr/>
Investment management costs		
Portfolio management	11,510	9,622
Charitable activities		
Staff costs	15,490	29,479
Office costs	1,164	6,317
Postage, stationery and admin	1,588	2,227
Sundries	221	586
	<hr/>	<hr/>
	18,463	38,609
	<hr/>	<hr/>

This page does not form part of the statutory financial statements.

THE HEREFORD CATHEDRAL PERPETUAL TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20	31.12.19
	£	£
Support costs		
Governance costs		
Staff costs	35,710	34,836
Auditors' remuneration	8,760	6,000
Auditors' remuneration for non-audit work	3,300	2,100
Postage and stationery	1,059	1,485
Sundries	144	390
Office costs	776	4,209
	<u>49,749</u>	<u>49,020</u>
Total expenditure	<u>144,740</u>	<u>251,507</u>
Net income before grants to Chapter	1,868,502	715,845
Grants to Chapter (see note A)	(977,318)	(744,953)
Net income/(expenditure) excluding investment gains	<u>891,184</u>	<u>(29,108)</u>

NOTE A

The total grants paid to Chapter during the year were as follows:

	31.12.20	31.12.19
	£	£
<i>Fabric</i>		
Eastern Range / Cloister Project contributions	674,190	431,352
Porch Chapel project	1,875	-
Font project	14,160	5,000
Fire system	-	27,323
Recovery of VAT from 2017-18	93	-
	<u>690,318</u>	<u>463,675</u>
<i>Choral / Music</i>		
Choral Foundation grants	168,000	168,000
Choir Tour: Rome and Normandy D-Day 75	-	4,873
St Matthew Passion	5,000	5,000
	<u>173,000</u>	<u>177,873</u>
<i>Education</i>		
Education grant	12,000	12,000
<i>Other</i>		
Admin Officer / Executive Officer	-	15,170
General Chapter running costs	102,000	75,600
Other grants	-	635
	<u>102,000</u>	<u>91,405</u>
	<u><u>977,318</u></u>	<u><u>744,953</u></u>

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