

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



# HEREFORD CATHEDRAL

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PERPETUAL TRUST

REGISTERED COMPANY NUMBER: 03123592 (England & Wales)

REGISTERED CHARITY NUMBER: 1051168

**THE HEREFORD CATHEDRAL PERPETUAL TRUST**  
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**FOR THE YEAR ENDED 31 DECEMBER 2020**

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# 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 £
<b><u>Revenue</u></b>				
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
<b>Total Income</b>	<b>371,182</b>	<b>239,499</b>	<b>574,190</b>	<b>1,184,871</b>
<b><u>Expenditure</u></b>				
Grants to Chapter	102,000	201,128	674,190	977,318
Administrative costs	142,649	2,091		144,740
<b>Total expenditure</b>	<b>244,649</b>	<b>203,219</b>	<b>674,190</b>	<b>1,122,058</b>
<b><u>Capital</u></b>				
Capital inflow	816,571	11,800		828,371
Unrealised gains/(losses)	104,406	33,439		137,845
<b>Total capital movement</b>	<b>920,977</b>	<b>45,239</b>		<b>966,216</b>
Fund transfer for project	(640)	(99,360)	100,000	-
<b>Total Movement</b>	<b><u>1,047,510</u></b>	<b><u>81,519</u></b>	<b><u>(100,000)</u></b>	<b><u>1,029,029</u></b>
NAV 1 <sup>st</sup> Jan 2020	3,484,039	769,896		4,253,935
NAV 31 <sup>st</sup> Dec 2020	4,530,909	752,055		<b><u>5,282,964</u></b>

**THE HEREFORD CATHEDRAL PERPETUAL TRUST**  
**CHAIR AND CHIEF EXECUTIVE'S REPORTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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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**

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**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**

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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**

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#### **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

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#### 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

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### 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

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#### 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

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#### 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

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#### 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

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### 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**

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#### **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

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### 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**

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**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

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#### 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

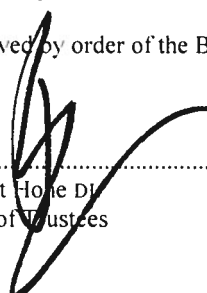
The auditors Haysmacintyre LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### 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 Hone DL  
Chair of Trustees

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEREFORD CATHEDRAL PERPETUAL TRUST**

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### **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)**

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### **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](http://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)**

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**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  
Date: .....

THE HEREFORD CATHEDRAL PERPETUAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
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
<b>Total</b>		<b>1,187,753</b>	<b>825,489</b>	<b>2,013,242</b>	<b>967,352</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	44,835	2,091	46,926	163,878
<b>Charitable activities</b>					
Grantmaking	6	199,814	875,318	1,075,132	832,582
<b>Total</b>		<b>244,649</b>	<b>877,409</b>	<b>1,122,058</b>	<b>996,460</b>
<b>Net income before investment movements</b>		<b>943,104</b>	<b>(51,920)</b>	<b>891,184</b>	<b>(29,108)</b>
Unrealised gains/(losses) on investments		104,406	33,439	137,845	283,761
<b>NET INCOME</b>		<b>1,047,510</b>	<b>(18,481)</b>	<b>1,029,029</b>	<b>254,653</b>
Transfers between funds	17	(640)	640	-	-
<b>Net movement in funds</b>		<b>1,046,870</b>	<b>(17,841)</b>	<b>1,029,029</b>	<b>254,653</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		3,484,039	769,896	4,253,935	3,999,282
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,530,909</b>	<b>752,055</b>	<b>5,282,964</b>	<b>4,253,935</b>

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

## BALANCE SHEET

AT 31 DECEMBER 2020

		Unrestricted Funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
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>
<b>CURRENT ASSETS</b>					
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>
<b>CREDITORS</b>					
Amounts falling due within one year	16	(37,185)	(135,341)	(172,526)	(129,118)
		<u>(37,185)</u>	<u>(135,341)</u>	<u>(172,526)</u>	<u>(129,118)</u>
<b>NET CURRENT ASSETS</b>		<u>1,022,944</u>	<u>(43,731)</u>	<u>979,213</u>	<u>148,454</u>
<b>NET ASSETS</b>		<u>4,530,909</u>	<u>752,055</u>	<u>5,282,964</u>	<u>4,253,935</u>
<b>FUNDS</b>					
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>
<b>NET ASSETS</b>		<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 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	64,160	414,615
<b>Net cash provided by operating activities</b>		<u>64,160</u>	<u>414,615</u>
<b>Cash flows from investing activities:</b>			
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
<b>Net cash used in investing activities</b>		<u>106,752</u>	<u>(591,919)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>170,912</u>	<u>(177,304)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<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**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	1,029,029	254,653
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<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**

**1. ACCOUNTING POLICIES – (CONTINUED)**

**Tangible fixed assets**

Tangible fixed assets costing more than £250 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
-----------------------	---------

**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.

**Taxation**

The charity is exempt from corporation tax on its charitable activities. The charity is not registered for value-added tax purposes.

**Fund accounting**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**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**

	31.12.20	31.12.19
	£	£
Grants from Trusts / Foundations	579,223	202,922
Donations	347,430	281,378
Gift Aid	27,615	26,859
Legacies	870,395	166,500
	<u>1,824,663</u>	<u>677,659</u>

Donations include £63,500 from the Arts Council and £56,869 from the Austin Community Foundation.

**THE HEREFORD CATHEDRAL PERPETUAL TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. OTHER TRADING ACTIVITIES**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Events	11,352	145,187
Eastern Cloister project management charge (Chapter)	10,050	-
	<u>21,402</u>	<u>145,187</u>

**4. INVESTMENT INCOME**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Dividend income	166,961	143,015
Interest receivable	216	1,491
	<u>167,177</u>	<u>144,506</u>

**5. RAISING FUNDS**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
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	<u>46,926</u>	<u>163,878</u>

**6. CHARITABLE ACTIVITIES 2020**

	<b>Direct costs</b>	<b>Grant funding of activities (See note 7)</b>	<b>Support costs (See note 8)</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant making	<u>45,137</u>	<u>977,318</u>	<u>52,677</u>	<u>1,075,132</u>

**CHARITABLE ACTIVITIES 2019**

	<b>Direct costs</b>	<b>Grant funding of activities (See note 7)</b>	<b>Support costs (See note 8)</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Grants and donations	<u>977,318</u>	<u>744,953</u>
The total grants paid to Chapter during the year were as follows:		
	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
<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**

	<b>Fundraising</b>	<b>Grants</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Support and governance costs	14,888	52,677	67,565

**SUPPORT COSTS 2019**

	<b>Fundraising</b>	<b>Grants</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Support and governance costs	44,389	49,021	93,860

**9. NET INCOME**

Net income is stated after charging

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
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**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
Wages and salaries	83,430	93,514
Social security costs	5,050	7,087
Other pension costs	7,857	8,879
	<b>96,337</b>	<b>109,480</b>

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:

	<b>31.12.20</b>	<b>31.12.19</b>
Administration of the Trust	2	3

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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	195,529	482,130	677,659
Other trading activities	145,187		145,187
Investment income	125,346	19,160	144,506
<b>Total</b>	<b>466,062</b>	<b>501,290</b>	<b>967,352</b>
<b>EXPENDITURE ON</b>			
Raising funds	163,878	-	163,878
<b>Charitable activities</b>			
Grants and donations	205,205	627,377	832,582
<b>Total</b>	<b>369,083</b>	<b>627,377</b>	<b>996,460</b>
<b>Net income before investment movements</b>	<b>96,979</b>	<b>(126,087)</b>	<b>(29,108)</b>
<b>Net gains on investments</b>	<b>240,565</b>	<b>43,196</b>	<b>283,761</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>337,544</b>	<b>(82,891)</b>	<b>254,653</b>
<b>Transfers between funds</b>	<b>(28,022)</b>	<b>28,022</b>	<b>-</b>
<b>Net movement in funds</b>	<b>309,522</b>	<b>(54,869)</b>	<b>254,653</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>3,174,517</b>	<b>824,765</b>	<b>3,999,282</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>3,484,039</b>	<b>769,896</b>	<b>4,253,935</b>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	20,580
<b>DEPRECIATION</b>	
At 1 January 2020	20,580
Charge for the year	-
31 December 2020	20,580
<b>NET BOOK VALUE</b>	
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**

	<b>Listed investments £</b>	<b>Cash and settlements pending £</b>	<b>Totals £</b>
<b>MARKET VALUE</b>			
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:			
		<b>31.12.20 £</b>	<b>31.12.19 £</b>
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>
Historic cost of investment		<u>2,462,182</u>	<u>2,401,757</u>

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

	<b>31.12.20 £</b>	<b>31.12.19 £</b>
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**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
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**

	<b>At 1.1.20</b>	<b>Net</b>	<b>Transfers</b>	<b>At 31.12.20</b>
	<b>£</b>	<b>movement</b>	<b>between</b>	<b>£</b>
		<b>in funds</b>	<b>funds</b>	
		<b>£</b>	<b>£</b>	
<b>Unrestricted funds</b>				
Long-term investment	3,394,787		113,178	3,507,965
Working capital	89,252	1,047,510	(113,818)	1,022,944
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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:

	<b>Income</b>	<b>Expenditure</b>	<b>Gains and</b>	<b>Movement</b>
	<b>£</b>	<b>£</b>	<b>losses</b>	<b>in funds</b>
			<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General Fund	1,187,753	(244,649)	104,406	1,047,510
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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
	£	£	£	£
<b>Unrestricted funds</b>				
Long-term investment	3,174,517	337,544	(117,274)	3,394,787
Working capital			89,252	89,252
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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
	£	£	£	£
<b>Unrestricted funds</b>				
General Fund	466,062	(369,083)	240,565	337,544
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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

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#### 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 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Grants	579,223	202,922
Donations	347,430	281,378
Gift Aid	27,615	26,859
Legacies	870,395	166,500
<b>Total incoming resources</b>	<b>1,824,663</b>	<b>677,659</b>
<b>Other trading activities</b>		
Events	11,352	144,187
Income from Chapter (project management charge)	10,050	1,000
	<b>21,402</b>	<b>145,187</b>
<b>Investment Income</b>		
Dividend income – (Cazenove)	166,948	143,755
Interest receivable	229	751
	<b>167,177</b>	<b>144,506</b>
<b>Total income</b>	<b>2,013,242</b>	<b>967,352</b>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Advertising	-	82
	<b>-</b>	<b>82</b>
<b>Other trading activities</b>		
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
	<b>65,018</b>	<b>154,174</b>
<b>Investment management costs</b>		
Portfolio management	11,510	9,622
<b>Charitable activities</b>		
Staff costs	15,490	29,479
Office costs	1,164	6,317
Postage, stationery and admin	1,588	2,227
Sundries	221	586
	<b>18,463</b>	<b>38,609</b>

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**

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
<b>Support costs</b>		
<b>Governance costs</b>		
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>
<b>Total expenditure</b>	<u>144,740</u>	<u>251,507</u>
<b>Net income before grants to Chapter</b>	<b>1,868,502</b>	<b>715,845</b>
Grants to Chapter (see note A)	(977,318)	(744,953)
<b>Net income/(expenditure) excluding investment gains</b>	<b><u>891,184</u></b>	<b><u>(29,108)</u></b>

**NOTE A**

The total grants paid to Chapter during the year were as follows:

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>£</b>	<b>£</b>
<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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