

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

The Hereford Cathedral Perpetual Trust

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for the Year Ended 31 December 2022

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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.

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 Widgery 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 plc
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 ...8/9.123..... 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 specialists 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

- 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.

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 8/9/23 and were signed on its behalf by:

.....
Mr N Hone - Trustee

The notes form part of these financial statements

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><u>206,147</u></u>	<u><u>335,753</u></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	(9,802)	(140,746)
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

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>

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	<u>1,839</u>	<u>7</u>	<u>1,846</u>	<u>818</u>
	<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	<u>14,853</u>	<u>-</u>	<u>14,853</u>	<u>17,751</u>
	<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	<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>

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

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
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			(20,580)
At 31 December 2022			-
DEPRECIATION			
At 1 January 2022			20,580
Eliminated on disposal			(20,580)
At 31 December 2022			-
NET BOOK VALUE			
At 31 December 2022			-
At 31 December 2021			-
 14. FIXED ASSET INVESTMENTS			
			Listed investments £
MARKET VALUE			
At 1 January 2022			5,541,010
Additions			687,832
Revaluations			(592,511)
At 31 December 2022			5,636,331
NET BOOK VALUE			
At 31 December 2022			5,636,331
At 31 December 2021			5,541,010

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.