

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

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
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HR4 7BS

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for the Year Ended 31 December 2023

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CHAIR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nat Hone DL  
Chair

A handwritten signature in dark ink, appearing to be 'Nat Hone', written over a light blue horizontal line.

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

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

## **OBJECTIVES AND ACTIVITIES**

### **CHARITABLE OBJECTIVES**

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

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

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

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

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

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

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

## **OPERATIONS**

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

The Trust provides funding and services in the following ways:

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

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

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

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

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

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

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

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

## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

#### **Investment Policies**

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

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

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

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

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

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

For further information on responsible investment, please go to:

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

For more information on the RMAF, please go to:

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

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

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

#### **Public benefit**

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

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

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



## **OBJECTIVES AND ACTIVITIES**

### **Volunteers**

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

### **Fundraising**

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

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

### **Legacies**

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

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

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

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

### **Reserves**

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

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

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

## **ACHIEVEMENT AND PERFORMANCE**

### **Reserves**

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

### **Legacies**

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

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

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

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

### Substantial gifts

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

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

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

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

### **Investment Performance**

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

## **FINANCIAL REVIEW**

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

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

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

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

### **Principal funding sources**

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

## **FUTURE PLANS**

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

The Trust's focus will remain on:

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Charity constitution**

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

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

### **Recruitment and appointment of new trustees**

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

### **Organisational structure**

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

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

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

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

### **Induction and training of new trustees**

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

### **Key management remuneration**

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Related parties**

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

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

### **Risk management**

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

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

## **REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
03123592 (England and Wales)

**Registered Charity number**  
1051168

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

The Hereford Cathedral Perpetual Trust

Report of the Trustees  
for the Year Ended 31 December 2023

**Trustees**

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

**Patron**

HM King Charles III

**Vice-Presidents**

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

**Key management personnel**

Georgina Miller

**Company Secretary**

Georgina Miller

**Auditors**

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

**Solicitors**

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

**Gabbs Solicitors**

14 Broad Street  
Hereford  
HR4 9AP

**Advisers**

Cazenove Capital Management  
12 Moor Street  
London  
EC2R 6DA

The Hereford Cathedral Perpetual Trust

Report of the Trustees  
for the Year Ended 31 December 2023

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

Lloyds TBS plc  
8 High Town  
Hereford  
HR1 2AE

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**ACKNOWLEDGEMENTS**

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

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

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

.....  
Mr N Hone - Trustee

### **Opinion**

We have audited the financial statements of The Hereford Cathedral Perpetual Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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



### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

#### **Use of our report**

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

*Thorne Widgery Accountancy Ltd*

**Thorne Widgery Accountancy Ltd**  
**Chartered Accountants**  
**Statutory Auditors**

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

Date: 19/8/24.....

The Hereford Cathedral Perpetual Trust

Statement of Financial Activities  
for the Year Ended 31 December 2023

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

The notes form part of these financial statements

# The Hereford Cathedral Perpetual Trust

## Balance Sheet 31 December 2023

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

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

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

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

The trustees acknowledge their responsibilities for

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

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

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

.....  
Mr N Hone - Trustee

The Hereford Cathedral Perpetual Trust

Cash Flow Statement

for the Year Ended 31 December 2023

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

The notes form part of these financial statements

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

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

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The principal area of judgement and estimation uncertainty relates to the assessment of legacy income receivable in line with the policy set out below.

**Income**

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

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

**Allocation and apportionment of costs**

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

**Tangible fixed assets**

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

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

Fixtures and Fittings - 4 years



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

**1. ACCOUNTING POLICIES - continued**

**Taxation**

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

**Fund accounting**

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

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

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

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

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

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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

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

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

**2. DONATIONS AND LEGACIES**

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

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

**3. OTHER TRADING ACTIVITIES**

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

**4. INVESTMENT INCOME**

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

**5. RAISING FUNDS**

**Raising donations and legacies**

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

**Investment management costs**

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

**6. CHARITABLE ACTIVITIES COSTS**

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

**7. GRANTS PAYABLE**

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

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

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

**8. SUPPORT COSTS**

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

**9. NET INCOME/(EXPENDITURE)**

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

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

# 10. TRUSTEES' REMUNERATION AND BENEFITS

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

## Trustees' expenses

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

# 11. STAFF COSTS

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

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

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

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

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

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

## INCOME AND ENDOWMENTS FROM

	Unrestricted funds £	Restricted funds £	Total funds £
Donations and legacies	648,221	104,302	752,523
Other trading activities	13,417	-	13,417
Investment income	203,184	37,280	240,464
	<u>864,822</u>	<u>141,582</u>	<u>1,006,404</u>

## EXPENDITURE ON

Raising funds	75,224	1,574	76,798
<b>Charitable activities</b>			
Grantmaking	167,493	192,000	359,493
Support costs	-	-	-
	<u>242,717</u>	<u>193,574</u>	<u>436,291</u>

Net gains/(losses) on investments	<u>(498,846)</u>	<u>(93,665)</u>	<u>(592,511)</u>
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## NET INCOME/(EXPENDITURE)

123,259	(145,657)	(22,398)
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Notes to the Financial Statements - continued  
for the Year Ended 31 December 2023

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

13. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

Cost or valuation at 31 December 2023 is represented by:

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

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

16. MOVEMENT IN FUNDS

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

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

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

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

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

**Unrestricted Funds**

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

**Restricted Funds**

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

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

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

**16. MOVEMENT IN FUNDS - continued**

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

**Transfers between funds**

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

**17. RELATED PARTY DISCLOSURES**

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

**Chapter of Hereford Cathedral**

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

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

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

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

**Hereford Cathedral Enterprises Limited**

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

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



**The Hereford Cathedral Perpetual Trust**

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

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

This page does not form part of the statutory financial statements

The Hereford Cathedral Perpetual Trust

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

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