

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

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

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

The Hereford Cathedral Perpetual Trust
Year ended 31 December 2024

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for the Year Ended 31 December 2024

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CHAIR'S REPORT

for the year ended 31 December 2024

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

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

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

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

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

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

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

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

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

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

The Cathedral faces considerable challenges.

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

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

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

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

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

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

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

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

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

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

Year Ended 31st December 2024

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

The Hereford Cathedral Perpetual Trust

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nat Hone DL
Chair

Report of the Trustees
for the Year Ended 31 December 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objectives

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

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

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

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

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

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

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

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

OBJECTIVES AND ACTIVITIES (continued)

Operations

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

The Trust provides funding and services in the following ways:

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

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

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

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

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

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

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

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

Public benefit

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

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

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

Volunteers

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

ACHIEVEMENT AND PERFORMANCE

Fundraising

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

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

Legacies

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

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

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

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

FINANCIAL REVIEW

Investment Policies

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

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

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

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

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

FINANCIAL REVIEW

Investment Policies (continued)

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

For further information on responsible investment, please go to:

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

For more information on the RMAF, please go to:

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

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

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

Reserves

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

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

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

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

Legacies

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

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

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

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

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

FINANCIAL REVIEW

Reserves (continued)

Substantial gifts

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

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

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

Investment Performance

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

Financial Position

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

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

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

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

Principal funding sources

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

FUTURE PLANS

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

The Trust's focus will remain on:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

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

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

Recruitment and appointment of new trustees

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

Organisational structure

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

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

Key management remuneration

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

Related parties

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

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

Risk management

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

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

The Hereford Cathedral Perpetual Trust

Report of the Trustees

for the Year Ended 31 December 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03123592 (England and Wales)

Registered Charity number

1051168

Registered office

5 College Cloisters

The Close

Hereford

Herefordshire

HR1 2NG

Trustees

Revd Canon Sarah Brown

Julia Budd

Charles De Rohan

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

Katherine Garnier

Nick Harvey

Nat Hone

Richard Banks

Patron

HM King Charles III

Vice-Presidents

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

The Lord-Lieutenant of Shropshire (Mrs Anna Turner)

The Dowager Countess of Darnley CVO

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

Sir Algernon Heber-Percy KCVO

Key management personnel

Georgina Miller (unit July 2024)

Company Secretary

Georgina Miller

Auditors

Thorne 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

The Hereford Cathedral Perpetual Trust

Report of the Trustees
for the Year Ended 31 December 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Advisers

Cazenove Capital Management
12 Moor Street
London
EC2R 6DA

Bankers

Lloyds TBS pic
8 High Town
Hereford
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 18. VII 2024 and signed on its behalf by:

.....
Mr N Hope Trustee

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

Opinion

We have audited the financial statements of The Hereford Cathedral Perpetual Trust (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Thorne Widgery Accountancy Ltd

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

The Hereford Cathedral Perpetual Trust

Statement of Financial Activities
for the Year Ended 31 December 2024

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

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet
31 December 2024

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

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

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

The trustees acknowledge their responsibilities for

- (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.

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Balance Sheet - continued
31 December 2024

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

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

.....
Mr N Hone Trustee

18. VII 25

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

Cash Flow Statement
for the Year Ended 31 December 2024

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

The notes form part of these financial statements

The Hereford Cathedral Perpetual Trust

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

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

	31.12.24 £	31.12.23 £
Net income for the reporting period (as per the Statement of Financial Activities)	560,137	228,837
Adjustments for:		
Gain on investments	(240,868)	(169,518)
Interest received	(5,984)	(1,339)
Dividends received	(245,713)	(242,881)
Increase in debtors	(25,793)	(12,416)
Increase/(decrease) in creditors	<u>22,356</u>	<u>(3,401)</u>
Net cash provided by/(used in) operations	<u>64,135</u>	<u>(200,718)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank and in hand	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>
	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>
Total	<u>259,820</u>	<u>239,387</u>	<u>499,207</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Going Concern

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

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

Income

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

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

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

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

Expenditure

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

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

Taxation

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Tangible fixed assets

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

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

Fixtures and Fittings - 4 years

Investments

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Pension costs and other post-retirement benefits

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

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

2. DONATIONS AND LEGACIES

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

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

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

5. RAISING FUNDS

Raising donations and legacies

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

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

5. RAISING FUNDS - continued

Investment management costs

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

6. CHARITABLE ACTIVITIES COSTS

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

7. GRANTS PAYABLE

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

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

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

The Hereford Cathedral Perpetual Trust

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

8. SUPPORT COSTS

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

9. NET INCOME/(EXPENDITURE)

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

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

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

11. STAFF COSTS

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

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

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

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

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

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

13. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

The Hereford Cathedral Perpetual Trust

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

13. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 December 2024 is represented by:

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

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

16. MOVEMENT IN FUNDS

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

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

16. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

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

16. MOVEMENT IN FUNDS - continued

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

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

Unrestricted Funds

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

Restricted Funds

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

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

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

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

Transfers between funds

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

17. CONTINGENT LIABILITIES

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

18. RELATED PARTY DISCLOSURES

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

Chapter of Hereford Cathedral

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

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

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

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

Hereford Cathedral Enterprises Limited

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

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

G Miller - Company Secretary

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

The Hereford Cathedral Perpetual Trust

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

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

This page does not form part of the statutory financial statements

The Hereford Cathedral Perpetual Trust

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

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

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