

# **EARL OF CHESTER'S FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
5 April 2021**

**Charity Number: 1119422**

# EARL OF CHESTER'S FUND

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## CHARITY INFORMATION

For the year ended 5 April 2021

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## **EARL OF CHESTER'S FUND**

### **REPORT OF THE TRUSTEES**

**For the year ended 5 April 2021**

#### **Structure, Governance and Management**

- **Constitution**

The charity was established under a Trust Deed on 13<sup>th</sup> March 2007. It was registered as a charity on 30<sup>th</sup> May 2007. The Trust Deed sets out the objects and powers of the charity.

- **Recruitment and Appointment of new Trustees**

The committee consists of elected committee members. Committee members are elected at the charity's Annual General Meeting.

- **Organisational, Structural and Decision-making**

The Trustees determine and execute the policies of the Trust.

- **Trustee Induction and Training**

New Trustees are advised of their roles and responsibilities when appointed. They are subsequently advised of suitable external induction and training courses.

- **Risk Policy**

A risk assessment is carried out as part of the organisational business plan, identifying and classifying risks and detailing measures to deal with these risks. The committee is satisfied that systems are in place to mitigate exposure to risks.

#### **Objectives, Public Benefit and Activities**

The charity's objectives are such charitable purposes (other than the advancement of religion) within the county of Cheshire (as constituted on the 1<sup>st</sup> January 1974), or for the benefit of persons ordinarily resident in the county (as so constituted) as the Trustees shall from time-to-time decide.

The Trustees have paid due regard to the guidance issued by the Charity Commissioners on public benefit in deciding what activities the charity shall undertake.

Nine (2020 - Seventeen) charitable donations were made in the current year. Others are under consideration for future periods.

## EARL OF CHESTER'S FUND

### REPORT OF THE TRUSTEES (continued)

For the year ended 5 April 2021

#### Financial Review

The net incoming resources for the year amounted to £149,126 (2020 - £424,135).

The funds available to carry forward comprise £2,103,901 as an Endowment Fund, £16,500 as a designated reserve and £48,424 as a general reserve.

Interest rates have remained low for the last decade. Consequently, the trustees decided some years ago to invest the charity's assets in property, so as to provide the charity with a source of predictable income, as well as to allow for the potential for asset appreciation. The gross rental income received in the year was £76,808 (2020 - £63,444). The investment properties were revalued in the prior year resulting in a £371,228 revaluation gain. There were no gains on any investments held by the Charity in 2021.

Gift Aided donations totalling £127,525 (after recovery of Gift Aid) (2020 - £62,500) were received in the year. Donations made by the charity for charitable purposes in the year totalled £25,750 (2020 - £44,740).

- **Reserves Policy**

It is the charity's policy to maintain, as a minimum, unrestricted cash reserves sufficient to fund one year's property costs.

- **Investment Policy**

As noted, the trustees have previously decided that it is no longer appropriate to hold funds on deposit and that better returns upon its assets can be obtained by investing in property.

- **Grant-making policy**

The charity aims to distribute its annual net income (other than sums allocated to endowment funds) each year.

#### Plans for Future Periods

The trustees do not expect any changes in the objectives of the charity in the forthcoming year. The level of activity by the charity is wholly dependent upon the generosity of its donors. The key priorities for the future are to continue to support local charities and other worthwhile causes in Cheshire.

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R E Harries  
Chairman

5<sup>th</sup> May 2021

## **EARL OF CHESTER'S FUND**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 5 April 2021**

The Charities Act 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 charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **EARL OF CHESTER'S FUND**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

**For the year ended 5 April 2021**

I report to the trustees on my examination of the financial statements of the Earl of Chester's Fund ('the charity') for the year ended 5 April 2021.

#### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

J A McLintock FCA  
Independent Examiner

Chester  
4 August 2021

# EARL OF CHESTER'S FUND

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 5 April 2021

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £	2020 Total Funds £
<b>Income and endowments:</b>				
Donations and legacies - Donations	-	102,020	102,020	50,000
Donations and legacies – Gift Aid	-	25,505	25,505	12,500
Investment income - rent	76,808	-	76,808	63,444
Uplift in revaluation of investment asset	-	-	-	4,482
Uplift in revaluation of investment properties	-	-	-	371,228
<b>Total income and endowments</b>	<b>76,808</b>	<b>127,525</b>	<b>204,333</b>	<b>501,654</b>
<b>Expenditure:</b>				
<b>Expenditure on charitable activities:</b>				
Charitable donations:				
Clonter Schools - Digital Programme	4,000	-	4,000	-
Hammond School - Scholarship Aid	4,750	-	4,750	4165
Stick and Step	1,000	-	1,000	-
Hospice of the Good Shepherd	4,000	-	4,000	-
Tarporley War Memorial Hospital	2,000	-	2,000	-
Arts Educational School	2,000	-	2,000	-
Sophie Gallie Dance Academy	5,000	-	5,000	-
Countess Hospital, Blue Skies Appeal	2,000	-	2,000	-
Royal Northern College of Music	1,000	-	1,000	-
Previous Year - Sixteen other donations	-	-	-	40,575
	<b>25,750</b>	<b>-</b>	<b>25,750</b>	<b>44,740</b>
<b>Expenditure on raised funds:</b>				
Property costs				
Management fees	5,630	-	5,630	4,568
Insurance	1,558	-	1,558	1,549
Repairs	16,667	-	16,667	20,520
Council tax	692	-	692	2,576
Light, heat & water	1,586	-	1,586	2,102
Marketing fees	1,872	-	1,872	936
Deposit and referencing fees	1,452	-	1,452	528
	<b>29,457</b>	<b>-</b>	<b>29,457</b>	<b>32,779</b>
<b>Total Expenditure</b>	<b>55,207</b>	<b>-</b>	<b>55,207</b>	<b>77,519</b>

(continued overleaf)

The annexed notes form part of these financial statements.



## EARL OF CHESTER'S FUND

### STATEMENT OF FINANCIAL ACTIVITIES (continued)

For the year ended 5 April 2021

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £	2020 Total Funds £
Net income/(expenditure) for the year	21,601	127,525	149,126	424,135
Funds brought forward	43,323	1,976,376	2,019,699	1,595,564
Funds carried forward	<u>64,924</u>	<u>2,103,901</u>	<u>2,168,825</u>	<u>2,019,699</u>

The annexed notes form part of these financial statements.

# EARL OF CHESTER'S FUND

## BALANCE SHEET

As at 5 April 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS:</b>			
Investment properties, at valuation	4		
32 Talbot Street, Newtown		160,000	160,000
104 Westminster Road, Hoole		190,000	190,000
51 Tomkinson Street, Hoole		190,000	190,000
52 Tomkinson Street, Hoole		200,000	200,000
3 Phillip Street, Hoole		200,000	200,000
15 Phillip Street, Hoole		190,000	190,000
9 Westminster Court, Hoole		190,000	190,000
1 Tomkinson Street, Hoole		193,000	193,000
8 Tomkinson Street, Hoole		200,000	200,000
		<u>1,713,000</u>	<u>1,713,000</u>
<b>INVESTMENTS at valuation</b>			
The Charlotte Scott Violin Trust	5	36,194	36,194
<b>CURRENT ASSETS:</b>			
Cash at bank and in hand		419,631	270,505
<b>TOTAL ASSETS</b>		<u>2,168,825</u>	<u>2,019,699</u>
<b>RESERVES:</b>			
Unrestricted Endowment Fund	6	2,103,901	1,976,376
Other Unrestricted Funds:			
General Fund	6	48,424	26,823
Designated Fund - Property Maintenance	6	16,500	16,500
Total charity funds		<u>2,168,825</u>	<u>2,019,699</u>

Approved by the Board of Trustees on 5<sup>th</sup> May 2021

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R E Harries  
Chairman

The annexed notes form part of these financial statements.

## EARL OF CHESTER'S FUND

### NOTES TO THE ACCOUNTS

For the year ended 5 April 2021

#### 1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### **Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Incoming Resources from Charitable Activities**

Incoming resources are donations received, rents and investment income which are included in the Statement of Financial Activities when receivable.

##### **Resources Expended**

Resources expended are recognized in the period in which they are incurred.

##### **Irrecoverable VAT**

Irrecoverable VAT is written off when the expenditure to which it relates is incurred and is recorded as part of that expenditure.

#### 2 RESOURCES EXPENDED

No trustee has received remuneration, or has been repaid any expense, associated with his services to the charity.

#### 3 TENANTS' DEPOSITS

In accordance with the requirements of the RCIS, tenants' deposits are held in a separate bank account with the Trust's letting agents or with the Deposit Protection Scheme. At 5<sup>th</sup> April 2021, these amounted to £8,554 (2020 - £7,775).

#### 4 INVESTMENT PROPERTY VALUATION

The Trustees have considered the valuation of the investment properties some of which have been held since 2013. The Trustees have reviewed locally available comparable market prices as a cost-effective method for assessing the fair value of properties. The fair values of the investment properties are shown in note 9 to the accounts. Any changes in fair value are recognised in income and expenditure.

## EARL OF CHESTER'S FUND

### NOTES TO THE ACCOUNTS (continued)

For the year ended 5 April 2021

#### 5 INVESTMENTS

The investment consists of 24,593 shares of £1 each (2020 – 24,593 shares), at a cost of £24,593 (2020 - £24,593), in the Charlotte Scott Violin Trust.

The market value of the investment, which represents 6.9% (2020 - 6.9%) of the total trust value, as at 30<sup>th</sup> November 2019 (the date of the latest valuation by Ingles & Hayday, Wigmore Street, London, W1U 3RF) was £36,194 (2020 - £36,194). Any changes in fair value are recognised in income and expenditure.

#### 6 NATURE OF FUNDS

##### **Endowment Fund (Unrestricted)**

This was created from the donations received in this and previous years. Any property and investment revaluations are also posted to this fund.

##### **General Fund (Unrestricted)**

All rent received and investment income is credited to this fund. All grants and expenses are paid from it. Its balance is carried forward to future years.

##### **Designated Fund – Property Maintenance (Unrestricted)**

The Trustees have created a designated fund to reserve against potential future liabilities for repairs to the charity's investment properties. This year an amount of £Nil (2020 - £Nil) was transferred to this fund from the General Fund.

#### 7 POTENTIAL FUTURE COMMITTED FUNDS

The Charity is committed to paying school fees totalling approximately £9,000 (2020 - £12,000) over the next three (2020 – four) years. These fees have not been provided for in the accounts due to the uncertainty over whether the pupils concerned will, or will not, complete their courses of study.

#### 8 RELATED PARTY TRANSACTIONS

There are no related party transactions to report for the year ended 5<sup>th</sup> April 2021.

# EARL OF CHESTER'S FUND

## NOTES TO THE ACCOUNTS (continued)

For the year ended 5 April 2021

### 9 INVESTMENT PROPERTIES HELD AT FAIR VALUE

	2021	2020
	£	£
Carrying (fair) value at beginning of period	1,713,000	1,341,772
Add gain on revaluation to revaluation reserve	-	<u>371,228</u>
Carrying (fair) value at end of year	<u>1,713,000</u>	<u>1,713,000</u>

### 10 STATEMENT OF CASHFLOWS

	2021	2020
	£	£
Net movement in funds	149,126	424,135
Deduct: Gift of endowment	(127,525)	(62,500)
Net cash generated by/(used in) operating activities	<u>21,601</u>	<u>361,635</u>
Revaluation of investment assets	-	(4,482)
Revaluation of investment properties	-	(371,228)
Cash flows from financing activities:		
Receipt of expendable endowments	127,525	62,500
Change in cash and cash equivalents in the year	<u>149,126</u>	<u>48,425</u>
Cash and cash equivalents brought forward	270,505	222,080
Cash and cash equivalents carried forward	<u>419,631</u>	<u>270,505</u>